

# CDX Rockies, LLC

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Rocky Mountain Office  
679 East 2<sup>nd</sup> Avenue, Suite 3  
Durango, Colorado 81301  
Off: 970-247-4126  
Fax: 970-247-1047

May 8, 2001

Byron Talmon  
Bureau Of Land Management  
170 South 500 East  
Vernal, Utah 84078

**VIA FEDEX**

RE: Federal Atchee Canyon 35-12-25  
SENE 35-12s-25e  
Unitah County, Utah

Dear Mr. Talmon:

Enclosed are an original and two copies of the APD, plats, surveys, attachments and exhibits for the above-referenced well.

CDX will not be submitting the APD's for the other two proposed wells located on Atchee Ridge until after the wells' access roads can be re-flagged, due to the controlled burn being conducted in the area.

Should you have any questions concerning these matters, please do not hesitate to call.

Very truly yours,



Alvin R. (Al) Arlian

ara  
Enclosures as stated

cc: **ALL VIA MAIL**

Brett Austin - CDX w/ copies

Gary Trotter - CDX w/ copies

Bill Ryan - Rocky Mountain Consulting w/ copies

Jim Thompson - Utah DOG&M w/ copies

Kurt Higgins - Utah School & Inst Tr Lands Admin w/ copies

Brad Okerlund Utah Colorado Oil Corporation w/ copies

Brad Boyce - CDX w/ copies

Liz Simonton - CDX w/o copies

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Fax: 970-247-1047

September 12, 2001

Lisha Cordova

Utah Division of Oil, Gas and Mining

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

RE: APD

Federal Atchee Canyon 35-12-25

SENE 35-12-25

Uintah County, Utah

Dear Ms. Cordova:

Pursuant to our telephone conversation September 10, 2001, enclosed is a copy of the above-referred APD which was submitted to the BLM September 10, 2001.

Please advise this office if you need any additional information.

Very truly yours,



Alvin R. (Al) Arlian

ara

Enclosures as stated:

**RECEIVED**

SEP 17 2001

DIVISION OF  
OIL, GAS AND MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000

5. Lease Serial No.  
UTU - 70905

6. If Indian, Allottee or Tribe Name  
N/A

7. If Unit or CA Agreement, Name and No.  
N/A

8. Lease Name and Well No.  
Federal Atchee Canyon 35-12-25

9. API Well No.  
43-047-34297

10. Field and Pool, or Exploratory  
Wildcat

11. Sec., T., R., M., or Blk. and Survey or Area  
Sec. 35, T12S - R25E

12. County or Parish  
Uintah

13. State  
Utah

1a. Type of Work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☒ Single Zone ☐ Multiple Zone

2. Name of Operator  
CDX Rockies, L.L.C.

3a. Address  
679 East Second Ave. #3  
Durango, Colorado 81301

3b. Phone No. (include area code)  
(970) 247 - 4126

4. Location of Well (Report location clearly and in accordance with any State requirements. \*)  
At surface 2,350' FNL and 850' FEL 2630 FNL 1042 FEL  
At proposed prod. zone SENE Sec. 35, T12S - R25E

14. Distance in miles and direction from nearest town or post office\*  
17 miles south of Bonanza, Utah

4399532N  
664569E

15. Distance from proposed\*  
location to nearest  
property or lease line, ft.  
(Also to nearest drig. unit line, if any) 850'

16. No. of Acres in lease  
1,280 acres

17. Spacing Unit dedicated to this well  
80 acres

18. Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft. N/A

19. Proposed Depth  
3,256'

20. BLM/BIA Bond No. on file  
UT 1225

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
6,315' GL

22. Approximate date work will start\*  
November 15, 2001

23. Estimated duration  
2 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).

4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 

Name (Printed/Typed)

Alvin R. (Al) Arlian

Date

September 7, 2001

Title  
Landman

Approved by (Signature) 

Name (Printed/Typed)

BRADLEY G. HILL

Date

07-07-01

Title

Off ENVIRONMENTAL SCIENTIST III

Application approval does not warrant or certify the the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

Federal Approval of this  
Action is Necessary

RECEIVED

SEP 17 2001

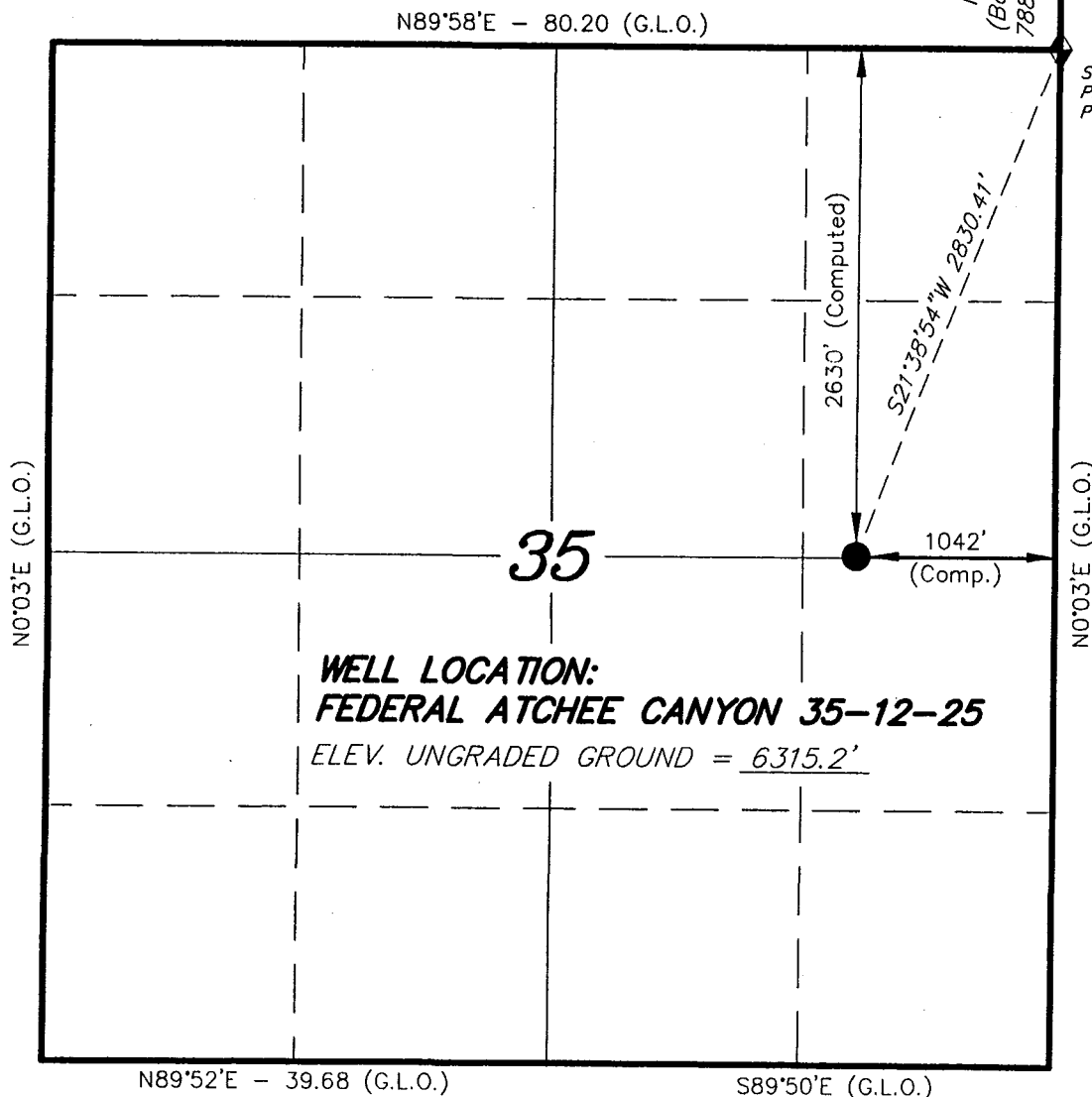
DIVISION OF  
OIL, GAS AND MINING

**T12S, R25E, S.L.B.&M.**

East 1/4 Corner  
Sec. 23  
(Pile of Stones, Pole)

**CDX ROCKIES, LLC**

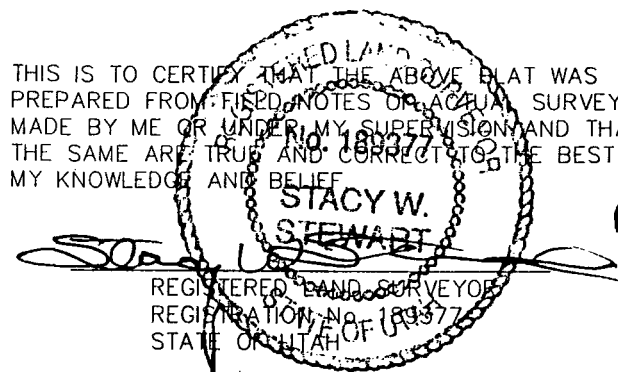
WELL LOCATION, FEDERAL ATCHEE  
CANYON 35-12-25, LOCATED AS SHOWN  
IN THE SE 1/4 NE 1/4 OF SECTION 35,  
T12S, R25E, S.L.B.&M. UINTAH COUNTY,  
UTAH.



**WELL LOCATION:  
FEDERAL ATCHEE CANYON 35-12-25**

ELEV. UNGRADED GROUND = 6315.2'

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS  
PREPARED FROM FIELD NOTES OR ACTUAL SURVEYS  
MADE BY ME OR UNDER MY SUPERVISION AND THAT  
THE SAME ARE TRUE AND CORRECT TO THE BEST OF  
MY KNOWLEDGE AND BELIEF.



**TRI STATE LAND SURVEYING & CONSULTING**

38 WEST 100 NORTH - VERNAL, UTAH 84078  
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.J.S.
DATE: 8-24-01	WEATHER: WARM
DRAWN BY: J.R.S.	FILE # :

◆ = SECTION CORNERS LOCATED  
BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (DAVIS CANYON)

# TABLE OF CONTENTS

CDX ROCKIES, LLC  
Federal Atchee Canyon #35-12-25  
~~2350' FNL and 850' FEL~~  
 SENE Sec. 35, T12S – R25E  
 Uintah County, Utah

Lease No. UTU-70905

DRILLING PROGRAM		Page No.
1.	Formation Tops	1
2.	Anticipated Depth of Oil, Gas & Water	1
3.	Blow Out Perventor Requirements	2-3
4.	Casing and Cement Program	4-7
5.	Mud Program	7-8
6.	Testing, Logging and Coring	8-9
7.	Abnormal Pressures & H <sub>2</sub> S Gas	10
8.	Other Information & Notification Requirements	10-13

SURFACE USE PLAN		Page No.
1.	Existing Roads	1-2
2.	Access Roads to be Constructed or Reconstructed	2-8
3.	Location of Wells Within One-Mile	8-9
4.	Proposed Production Tank Batteries, Gas Pipeline, and Facilities	9-11
5.	Water Supply	11-12
6.	Construction Materials	12
7.	Waste Disposal	12-13
8.	Ancillary Facilities	13
9.	Wellsite Layout	13-14
10.	Plans for Reclamation	15-16
11.	Surface/Mineral Ownership	16
12.	Other Information	16-19
13.	Representatives and Certification	19-20
14.	On-site	21

ONSHORE ORDER NO. 1  
CDX ROCKIES, LLC  
Federal Atchee Canyon 35-12-25  
~~2,350' FNL and 850' FEL~~  
SENE Sec. 35-T12S - R25E  
Uintah County, Utah

Lease No. UTU-70905

DRILLING PROGRAM  
Page No. 1

**ONSHORE OIL & GAS ORDER NO. 1**  
**Approval of Operations on Onshore**  
**Federal and Indian Oil and Gas Leases**

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

**1. Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Surface Gravel	0	6,280'
Wasatch	10'	6,270'
Mesa Verde	1,700'	4,580'
Nelsen Coal Zone	2,050-3,206'	4,230-3,074'
Sego Sandstone	3,206'	3,074'
T.D.	3,256'	3,024'

**2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	N/A	
Water	N/A	
Other Mineral Zones	N/A	

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

**3. Pressure Control Equipment: (Schematic Attached)**

CDX Rockies, LLC's minimum specifications for pressure control equipment are as follows:

- A. Ram Type: 10" Hydraulic double with annular, 3000psi w.p.
- B. Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.
- C. Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained for at least 10 minutes or until provisions of test are met, whichever is longer.
- D. As a minimum, the above test shall be performed:
  - i. when initially installed;
  - ii. whenever any seal subject to test pressure is broken;
  - iii. following related repairs; and
  - iv. at 30-day intervals
- E. Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.
- F. When testing the kill line valve(s) the check valve shall be held open or the ball removed.
- G. Annular preventers shall be functionally operated at least weekly.

- H. Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.
- I. A BOPE pit level drill shall be conducted weekly for each drilling crew.
- J. Pressure tests shall apply to all related well control equipment.
- K. All of the above described tests and/or drills shall be recorded in the drilling log.
- L. BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.
- M. The District Office should be notified, with sufficient lead time, in order to have the BLM representative on location during pressure testing.
  - i. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 3000 psi working pressure blowout preventer.
  - ii. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
  - iii. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
  - iv. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.



**4. Proposed Casing and Cementing Program:**

- A. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- B. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- C. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data).
- D. Casing collars shall have a minimum clearance of 0.422 inches on all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- E. All waiting on cement times shall be adequate to achieve minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- F. All casing, except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- G. The surface casing shall be cemented back to surface either during the primary cement job or by the remedial cementing.

- H. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- I. Centralizers will be run on the bottom three joints of the surface casing with a minimum of 1 centralizer per joint starting with the shoe joint.
- J. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable pre-flush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- K. All Casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- L. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- M. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-200'	20"	16"	94.0#	J-55	ST&C	New*
Intermediate	0-2,000'	12-1/4"	9-5/8"	36.0#	N-80	LT&C	New*
Production	2,000'-TD	7-7/8"	7"	23.0#	N-80	LT&C	New**

- N. Casing design subject to revision based on geologic conditions encountered.

ONSHORE ORDER D. 1  
CDX ROCKIES, LLC  
Federal Atchee Canyon 35-12-25  
~~2,350' FNL and 850' FEL~~  
SENE Sec. 35-T12S – R25E  
Uintah County, Utah

Lease No. UTU-70905

DRILLING PROGRAM  
Page No. 6

- O. The cement program will be as follows:

<u>Depth</u>	<u>Type and Amount</u>
0-200'	*125 sx Lite (Yield – 1.97) with 2%Calc, 1.4#/sk Celloflake, 6% gel followed by 100 sx Premium (Yield 1.17) with 2% CaCl, ¼#/sk celloflake (or sufficient to circulate to surface).

<u>Depth</u>	<u>Type and Amount</u>
200'-2,000'	*340 sacks Lite (Yield – 3.85) with 12% gel, 10% salt, ¼#/sk celloflake followed by *290 sacks Premium (Yield – 1.20) with 50/50 Poz, 2% gel, 5% salt, ¼#/sk celloflake (or sufficient to circulate to surface).

\*Actual volumes to be calculated from caliper log.

<u>Depth</u>	<u>Type and Amount</u>
2,000'-TD	**Open Hole or Slotted Liner

- P. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- Q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.

- R. The following report shall be filed with the District Manager within 30 days after the work is completed.

Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells," must include complete information concerning:

- a. Setting of each string of casing showing the size, grade, weight of casing set, hole size, setting depth, amount and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
  - b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- S. Auxiliary equipment to be used is as follows:
- a. Kelly cock
  - b. Bit float, not deemed necessary.
  - c. A sub with a full opening valve.

**5. Mud Program:**

- A. The proposed circulating mediums to be employed in drilling are as follows:

	<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
a.	0-200'	Native	8.4-8.8	N/A	NC	9.0
b.	200'-2,000'	Air/Air Mist	N/A	N/A	NC	N/A
c.	2,000'-T.D.	LSND	8.4-8.8	36-38	10-15cc	9.0

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

- B. Mud monitoring equipment to be used is as follows:

Periodic checks of the mud system will be made each tour. The mud level will be checked visually.

- C. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- D. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- E. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

## **6. Evaluation Program:**

The anticipated type and amount of testing, logging and coring are as follows:

- A. No drill stem tests are anticipated, however, if they are run the following will be adhered to... Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DST's may be accomplished day or night.

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Lease No. UTU-70905

DRILLING PROGRAM

Page No. 9

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve providing some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- B. The logging program will consist of a DIL-GR from T.D. to base of surface casing with a GR to the surface. A CNL-FDC-GR and FMI will be run from T.D. to 2,000' (minimum run). A DSI-GR will be run from T.D. to base of surface casing.
- C. Cores may be run in from 2,000 to T.D.
- D. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (A.O.).
- E. The anticipated completion program is as follows:

After evaluation, cores and logs the decision will be made whether to open hole complete or run a slotted liner from the base of the Intermediate Casing String to T.D.
- F. Daily drilling completion progress reports shall be submitted to the BLM in Vernal on a weekly basis.

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Lease No. UTU-70905

DRILLING PROGRAM

Page No. 10

**7. Abnormal Temperatures or Pressures:**

- A. No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered in or known to exist from previous wells drilled to similar depths in the general area.
- B. The maximum anticipated bottom hole pressure will be approximately 900 psi at T.D.

**8. Anticipated Starting Dates and Notification of Operations:**

- A. Drilling will commence upon approval of this application.
- B. It is anticipated that the drilling of this well will take approximately 10 days.
- C. The Vernal District Office shall be notified, during regular work hours (7:45a.m. – 4:30p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.
- D. Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.
- E. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which the hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

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Lease No. UTU-70905

DRILLING PROGRAM  
Page No. 11

- F. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be requested to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.
- G. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the A.O. If operations are to be suspended, prior approval of the A.O. will be obtained and notification will be given before resumption of operations.
- H. The spud date will be reported orally to the A.O. within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular workday. The oral report will be followed up with a Sundry Notice.
- I. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged or abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078.
- J. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revisions.
- K. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the A.O., and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.



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DRILLING PROGRAM

Page No. 12

- L. Should the well be successfully completed for production, the A.O. will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- M. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- N. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized period.
- O. A schematic facilities diagram as required by 43 CFR 3162.7-5, (b.9.d.) and shall be submitted to the appropriate District Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil and Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4).
- P. A first production conference will be scheduled within 15 days after receipt of the first production notice.

ONSHORE ORDER NO. 1  
CDX ROCKIES, LLC  
Federal Atchee Canyon 35-12-25  
~~2,350' FNL and 850' FEL~~  
SENE Sec. 35-T12S – R25E  
Uintah County, Utah

Lease No. UTU-70905

DRILLING PROGRAM  
Page No. 13

- Q. No well abandonment operations will be commenced without the prior approval of the A.O. In case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the S.O. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the A.O. within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the A.O. or his representative, or the appropriate Surface Managing Agency.
- R. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

ONSHORE ORDER NO. 1  
CDX ROCKIES, LLC  
Federal Atchee Canyon #35-12-25  
~~2350' FNL and 850' FEL~~  
SENE Sec. 35, T12S – R25E  
Uintah County, Utah

Lease No. UTU-70905

SURFACE USE PLAN

Page 1

## ONSHORE OIL & GAS ORDER NO. 1

### NOTIFICATION REQUIREMENTS

Location Construction	forty-eight (48) hours prior to construction of location and access roads.
Location Completion	prior to moving on the drilling rig.
Spud Notice	at least twenty-four (24) hours prior to spudding the well.
Casing String and Cementing	twenty-four (24) hours prior to running casing and cementing all casing strings.
BOP and Related Equipment Tests	twenty-four (24) hours prior to initiating pressure tests.
First Production Notice	within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface use Program.

#### 1. EXISTING ROADS

- A. The proposed well site is located approximately 17 miles south of Bonanza, Utah.
- B. Directions to the location from Bonanza, Utah are as follows:

Proceed in a southeasterly direction for approximately 16 miles to the intersection of Dragon Road (road to Baxter Pass) and Dragon Canyon Road. Then proceed 1-1/2 miles south on Dragon Road to Atchee Canyon. The well access road commences at the intersection of Dragon Road and Atchee Canyon. Proceed south through Atchee Canyon 2-1/4 miles across fee lands owned by Utah Oil Corporation to a point approximately 1/8 of a mile east of

the southwest corner of Section 25 of Township 12 South, Range 13 East. The access road continues through Atchee Canyon southerly across the northwest corner of Section 36 of Township 12 South, Range 13 East, which is owned by the Utah School & Institution Trust Lands Administration. At that point approximately 1/4 mile south of the Northwest corner of Section 36, Township 12 South, Range 25 East, the access road enters on to the subject lease. Proceed southwest approximately 1/2 mile to the well .

- C. For location access roads within 2-Mile radius, see Maps A & B.
- D. Improvement to existing access (county maintained roads) will not be necessary, however,
- E. All existing access roads (county maintained roads) will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- F. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

## **2. PLANNED ACCESS ROADS**

- A. Starting at the intersection of Dragon Road and Atchee Canyon and traveling in a southerly direction, approximately 3/4 mile of existing two-track will require upgrading.
  - I. Length: 3/4 mile
  - II. Width: This two-track shall be widened to approximately an 18 foot running surface.
  - III. Maximum grades: No grades over 3%.
  - IV. Turn-outs: No turn-outs.

- V. Drainage Design: Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts.
  - VI. Location and Size of culverts and/or bridges, and brief description of any major cuts and fills: No culverts, bridges, cuts, fills or turn-outs will be installed.
  - VII. Surfacing Material (source): This portion of the road is fairly rocky and need for additional surface materials or gravel is not anticipated.
  - VIII. Necessary gates, cattle guards, or fence cuts and/or modification to existing facilities: No gates, cattle guards or fence cuts are needed. This land is not fenced.
- B. Starting at the south end of the existing two-track and traveling south approximately ½ mile to an canyon drainage wash area bottom, this trail will require upgrading.
- I. Length: ½ mile
  - II. Width: This trail shall be widened to approximately an 18 foot running surface.
  - III. Maximum grades: No grades over 3%.
  - IV. Turn-outs: No turn-outs.
  - V. Drainage Design: Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts.
  - VI. Location and Size of culverts and/or bridges, and brief description of any major cuts and fills: No culverts, bridges, fills or turn-outs will be installed. An existing low water crossing at the beginning of this part of the access road will need to be improved. This low water crossing is extremely rocky and other material or rock will be installed.

- VII. Surfacing Material (source): This portion of the road has little if any sand or rock. However, no additional surface materials or gravel will be applied without the Fee owner's permission.
- VIII. Necessary gates, cattle guards, or fence cuts and/or modification to existing facilities: No gates, cattle guards or fence cuts are needed. This land is not fenced.
- C. Starting at the south end of the existing trail and traveling southerly to the south boundary of Section 25 (approximately 1-½ miles the access road shall be located in canyon drainage wash area bottom. This wash area will require upgrading, removal of tree stumps and rocks, and increasing the width to 10' in most of the wash bottom.
- I. Length: 1 mile
- II. Width: This wash bottom shall be widened to approximately a 10 foot running surface.
- III. Maximum grades: No grades over 3%.
- IV. Turn-outs: No turn-outs.
- V. Drainage Design: None. The roadway shall consist of the wash bottom.
- VI. Location and Size of culverts and/or bridges, and brief description of any major cuts and fills: No culverts, bridges, fills or turn-outs will be installed. A small cut shall be made at each end of the wash bottom to enter and exit the wash bottom area.
- VII. Surfacing Material (source): The wash bottom portion of the road consists of gravel, rocks, and sand, no additional surface materials or gravel will be needed.
- VIII. Necessary gates, cattle guards, or fence cuts and/or modification to existing facilities: No gates, cattle guards or fence cuts are needed. This land is not fenced.

- D. Starting at the north boundary of Section 35 (south boundary of Section 25) for approximately 750 feet across State of Utah Trust Lands the road has been flagged and center lined on the west side of the small canyon wash bottom. This area will require the construction of a new access road.
- I. Length: 750 feet, more or less.
  - II. Width: This portion of the access road shall be constructed to approximately an 18 foot running surface.
  - III. Maximum grades: The maximum grade of the new construction will be approximately 3% except for the low water crossing areas.
  - IV. Turn-outs: No turn-outs are anticipated at this time. However, in the event turn-outs become applicable, Sheet 4 attached hereto sets out Typical Turn-outs that will be used.
  - V. Drainage Design: Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts.
  - VI. Location and Size of culverts and/or bridges, and brief description of any major cuts and fills: Culverts shall be in drainage areas where low water crossing cannot be used. Sheet 5 attached hereto sets Culvert Construction Details.
  - VII. Surfacing Material (source): This portion of the road is fairly rocky and no additional sand, gravel or rock shall be applied to the road base.
  - VIII. Necessary gates, cattle guards, or fence cuts and/or modification to existing facilities: No gates, cattle guards or fence cuts are needed. This land is not fenced.

- E. Starting at the point on the east boundary of section 35 approximately 1/4 mile south of the Northeast corner and traveling southerly to the wellsite (ON-LEASE). This portion of the road has been flagged and center lined on the west side of the small canyon wash bottom. This area will require the construction of a new access road.
- I. Length: ½ mile, more or less.
  - II. Width: This portion of the access road shall be constructed to approximately an 18 foot running surface.
  - III. Maximum grades: The maximum grade of the new construction will be approximately 3% except for the low water crossing areas.
  - IV. Turn-outs: No turn-outs are anticipated at this time. However, in the event turn-outs become applicable, Sheet 4 attached hereto sets out Typical Turn-outs that will be used.
  - V. Drainage Design: Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts.
  - VI. Location and Size of culverts and/or bridges, and brief description of any major cuts and fills: Culverts shall be installed in drainage areas where low water crossing cannot be used. Sheet 5 attached hereto sets Culvert Construction Details
  - VII. Surfacing Material (source): This portion of the road is fairly rocky and no additional sand, gravel or rock shall be applied to the road base.
  - VIII. Necessary gates, cattle guards, or fence cuts and/or modification to existing facilities: No gates, cattle guards or fence cuts are needed. This land is not fenced.



- F. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- G. The Access Road and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development (1989).
- H. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowning and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainage be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they should be filled in and detours around them avoided.
- I. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

J. OFF-LEASE rights-of-way will be necessary. The surface of Section 24 and Section 25 of Township 12 South, Range 13 East is owned by Utah Colorado Oil Corporation. The surface of Section 36 of Township 12 South, Range 13 East is owned by the Utah School & Institution Trust Lands Administration. A road and pipeline easement application has been submitted to the Utah School & Institution Trust Lands Administration. A road and pipeline easement agreement is being finalized with the Utah Colorado Oil Corporation.

K. There are no related structures or facilities planned at this time.

I. The underlying lease covers the following described lands:

Township 12 South, Range 25 East

Section 26: ALL

Section 35: ALL

Uintah County, Utah

**3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION**

- A. Water wells – none
- B. Injection wells – none
- C. Producing wells – none
- D. Drilling wells – none
- E. Shut-in wells – none
- F. Temporarily abandoned wells – none
- G. Disposal wells – none
- H. Abandoned wells – none
- I. Dry Holes – none

**4. LOCATION OF TANK BATTERIES, GAS PIPELINE, AND PRODUCTION FACILITIES.**

- A. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted Black Olive (Fuller O'Brien Code 5WA20-6). All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- B. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain at a minimum the entire content of the largest tank within the facility/ battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- C. A Sundry Notice will be submitted showing placement of all production facilities prior to construction.
- D. All loading lines will be placed inside the berm surrounding the tank battery.
- E. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow line will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.
- F. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The A.O. will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.

- G. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.
- H. Any necessary pits will be properly fenced to prevent any wildlife entry.
- I. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- J. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- K. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- L. The road will be maintained in a safe useable condition.
- M. Gas Pipeline.

In the event of a producing well, an ON-LEASE gas gathering pipeline shall be constructed.

- I. The type of pipeline is a gas gathering system.
- II. The outside diameters (O.D.) of all pipe sizes is 6".
- III. The anticipated production through the pipeline (MCF per day) is 2,000 MCF.
- IV. The anticipated maximum test pressure is 1,000 psi.
- V. The anticipated operating pressure is 600 to 700 psi.
- VI. The type of pipe is steel.

- VII. The method of coupling is welded.
- VIII. There are no other pipelines to be located in same trench.
- IX. There are no other objects to be associated in same trench.
- X. The total length of Pipeline is roughly 2-1/2 miles. (Approximately 1/2 mile located ON-LEASE.)
- XI. The width of the trench will be approximately 2 feet. The depth of the trench will be approximately 3 feet.
- XII. The depth of cover of the pipeline will also be 3 feet.
- XIII. The method of entrenchment will be with a backhoe and/or a trenching machine.
- XIV. The construction width needed for total surface disturbing activities is 30 feet.
- XV. The estimated total ON-LEASE involving all surface disturbing activities is roughly 2 acres.
- XVI. There will be no valves, sphere launchers or other facilities associated with the proposed pipeline operation located ON-LEASE (that are not located on the well pad).
- XVII. Reclamation procedures will include re-contouring the road surface and bar-ditch to that prior to construction.
- XVII. The pipeline shall be constructed within the 30' lease/well road boundaries, along the west side of the road (18-foot road surface) next to the bar-ditch.

## **5. LOCATION AND TYPE OF WATER SUPPLY**

- A. All water needed for drilling purposes will be obtained from Evacuation Creek under pending application with the State of Utah Department of Natural Resources Division of Water Rights.

- B. Water will be hauled by truck to location over the roads marked on Map "A" titled Pending Water Source Application.
- C. No Water well is to be drilled on this lease.

## **6. SOURCE OF CONSTRUCTION MATERIAL**

- A. Surface and subsoil materials in the immediate area will be utilized.
- B. Any gravel used will be obtained from a commercial source.
- C. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction materials will not be located on the lease.
- D. No construction materials will be removed from Federal land.

## **7. METHODS OF HANDLING WASTE DISPOSAL**

- A. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- B. The use of a reserve pit will be lined with a 12 mil plastic nylon reinforced liner. The pit will be first lined with felt to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.
- C. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- D. Drill cuttings are to be contained and buried in the reserve pit.
- E. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.

- F. A chemical porta-toilet will be furnished with the drilling rig.
- G. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt, water, or other produced fluids will be cleaned up and removed.

## **8. ANCILLARY FACILITIES**

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

## **9. WELL SITE LAYOUT**

- A. The operator or his/her contractor shall contact the BLM Office at 801/789-1362 forty-eight (48) hours prior to construction activities. NO CONSTRUCTION SHALL OCCUR OR BE PERMITTED DURING WET PERIODS.
- B. The reserve pit will be located on the west side of the well pad. Due to the extremely rocky soil conditions, the reserve pit banks shall be straight up and down as possible without causing the banks to sluff.
- C. The flare pit will be located downwind of the prevailing wind direction on the north side of the reserve pit, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
- D. The stockpiled topsoil (first six inches) will be stored on the south side of the location as shown on the location layout.
- E. Access to the well pad will be from the north where the road access crosses the center of the north boundary of the pad.
- F. See Location Layout for orientation of rig, cross sections of drill pad and cuts and fills.
- G. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles are shown on the Location Layout.

- H. During construction, all trees, brush, and sage brush will be removed from the well pad and access road and stockpiled separately from the topsoil.

All trees, brush, and sagebrush shall be removed prior to starting construction of the well pad and permanently stock piled south of the top soil pile on the south side of the well location.

All trees, brush, and sagebrush shall be removed prior to starting construction of the access road and permanently adjacent to the road.

- I. All pits will be fenced according to the following minimum standards:
- i. 39- inch net wire shall be used with at least one strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
  - ii. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
  - iii. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
  - iv. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
  - v. All wire shall be stretched, by using a stretching device before it is attached to the corner posts.
- J. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.



## **10. PLANS FOR RESTORATION OF SURFACE**

### **Producing Location**

- A. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- B. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- C. The plastic nylon reinforced liner shall be torn and perforated before backfilling the reserve pit.
- D. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.
- E. Reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer.

The seed mixture for reclamation work will be a sight specific mixture as recommended by the authorized officer of the BLM at the time of reclamation. Seeding will be performed in the fall after September 15 or until permanent ground freeze. Any other seeding period will require the approval of the authorized officer of the BLM.

- F. The topsoil stockpile and the dike of the erosion control pond will be seeded with Fourwing Saltbush at the rate of 4 lbs./acre, Thick Spike Wheat Grass 4 lbs/acre, and Needle & Thread Grass 6 lbs/acre.

**Dry Hole**

- A. At such as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.

**11. SURFACE AND MINERAL OWNERSHIP**

**A. Access Roads.**

- I. All of the surface in Section 24 and Section 25 is owned by Utah Colorado Oil Corporation. However, the county road (Baxter Pass Road) crossing Section 24 is owned and maintained by Uintah County, Utah. The minerals under the S/2NE/4 and SE/4 of Section 24 are Federal Ownership. The minerals under the SW/4 of Section 24 and W/2 of Section 25 are owned by Utah Colorado Oil Corporation.
- II. All of the minerals and surface of Section 36 is owned by the State of Utah and managed by the State of Utah School and Institutional Trust Lands Administration.
- III. Section 35 is Federal minerals and land managed by the Bureau of Land Management.

**B. Well pad**

- I. The well pad is located on Federal minerals and land managed by the Bureau of Land Management.

**12. OTHER INFORMATION**

- A. A class III archeological survey was conducted by Montgomery Archaeological Consultants. No significant cultural resources were found and clearance has been recommended. A copy of this report has been submitted directly by Montgomery Archaeological Consultants.

- B. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials and contact the authorized officer (A.O.). Within five working days the A.O. will inform the operator as to:
- I. whether the materials appear eligible for the National Register of Historic Places;
  - II. the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is necessary); and
  - III. a time frame for the A.O. to complete and expedite review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the A.O. are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the A.O. will assume responsibility for mitigation costs. The A.O. will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the A.O. that required mitigation has been completed, the operator will then be allowed to resume construction.
  - IV. This well, access road and pipeline are not located on the Uinta and Ouray Indian Reservation.
- C. The operator will control noxious weeds along right-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval prior to the application of herbicides or other pesticides or possible hazardous chemicals.

- D. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure.
- E. No erosion control structures will be required by the Bureau of Land Management at this time.
- F. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.
- G. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- H. There will be no deviation from the proposed drilling and/or work over program without prior approval from the A.O. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.
- I. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- J. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period. After permit termination, a new application will be filed for approval for any future operations.
- K. The operator or his contractor shall contact BLM Offices at 801-789-1362, 48 hours prior to construction activities.
- L. The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

ONSHORE ORDER D.1  
CDX ROCKIES, LLC  
Federal Atchee Canyon #35-12-25  
~~2350 FNL and 850 FEL~~  
SENE Sec. 35, T12S – R25E  
Uintah County, Utah

Lease No. UTU-70905

SURFACE USE PLAN

Page 19

- M. In the event after-hours approvals are necessary, please contact one of the following individuals:

Gerald E. Kencska	Petroleum Engineer	801/781-1190
Ed Forsman	Petroleum Engineer	801/789-7077
BLM Fax		801/789-3634

**Additional Surface Stipulations**

- A. Section 35 of Township 12 South, Range 25 East, SLM, Utah, has been identified as containing lands having critical to severe soil erosion conditions and slopes exceeding 40%. The A.O. may prohibit surface disturbing activities during wet and muddy periods to minimize watershed damage due to erosion. Modification to the Surface Use Plan of Operations may also be required. This limitation does not apply to operation and maintenance of producing wells.
- B. Lands in Section 35 of Township 12 South, Range 25 East, SLM, Utah, have been identified as being within the 100 year flood plain of an unnamed tributary to Evacuation Creek. Modification to the Surface Use Plan of Operations may be required for the protection of the flood plain and associated riparian areas.

**13. LESSEE'S OR OPERATORS REPRESENTATIVE AND CERTIFICATION**

**A. Permit Matters**

CDX Rockies, LLC  
Al Arlian  
1801 Broadway, Suite 1460  
Denver, CO 80202  
OFFICE: 303-292-4051  
HOME: 303-690-7123  
CELL: 303-981-4859

ONSHORE ORDER NO. 1  
CDX ROCKIES, LLC  
Federal Atchee Canyon #35-12-25  
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SENE Sec. 35, T12S – R25E  
Uintah County, Utah

Lease No. UTU-70905

SURFACE USE PLAN

Page 20

**B. Drilling & Completion Matters**

CDX Rockies, LLC.  
Brad Boyce  
679 East Second Avenue, Suite 3  
Durango, CO 81301  
OFFICE: 970-247-4126  
HOME: 970-259-5368  
CELL: 303-883-4806

Rocky Mountain Consulting  
William A. "Bill" Ryan  
350 South 800 East  
Vernal, UT 84078  
OFFICE: 435-789-0968  
CELL: 435-828-0968

**Certification**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by

CDX Rockies, LLC and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

9-7-01  
Date:

  
Alvin R. Arlian, Landman  
CDX Rockies, LLC

ONSHORE ORDER D.1  
CDX ROCKIES, LLC  
Federal Atchee Canyon #35-12-25  
~~2350' FNL and 850' FEL~~  
SENE Sec. 35, T12S – R25E  
Uintah County, Utah

Lease No. UTU-70905

SURFACE USE PLAN

Page 21

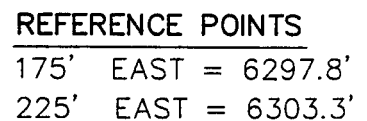
**ONSITE**

The onsite inspection for the subject well, access road and pipeline was conducted on Tuesday September 4, 2001, commencing at approximately 9:15 a.m. MST. Weather conditions were hot and sunny. In attendance at the onsite inspection were the following individuals:

Al Arlian  
Byron Tolman  
Dixie Sadlier  
Bill Ryan

CDX Rockies, LLC.  
Bureau of Land Management  
Bureau of Land Management  
Well Site Manager

CUT SHEET / FEDERAL ATCHEE CANYON 35-12-25  
SEC. 35, T12S, R25E, S.L.B.&M.



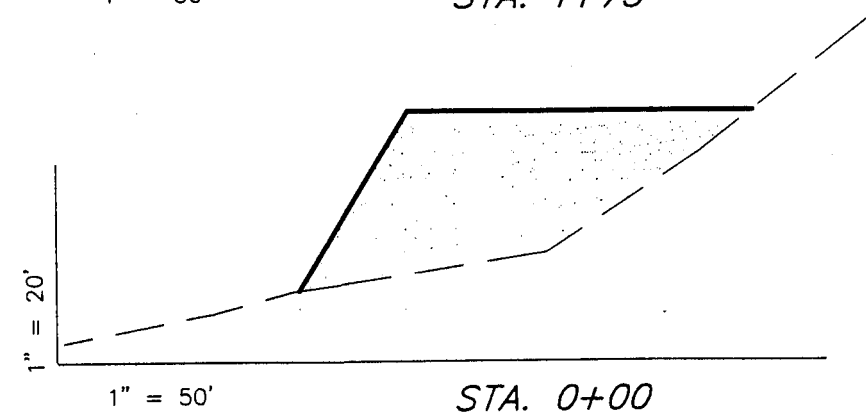
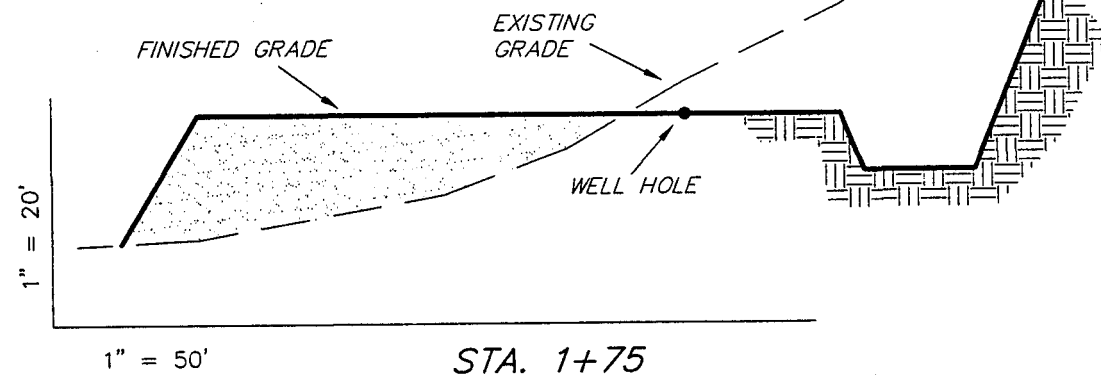
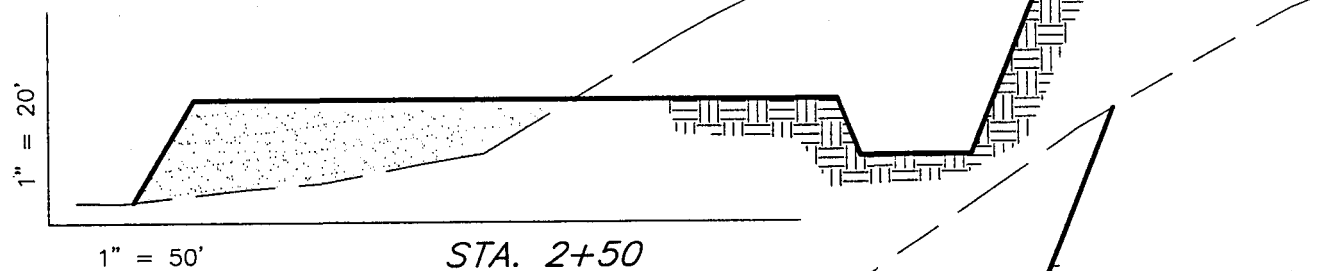
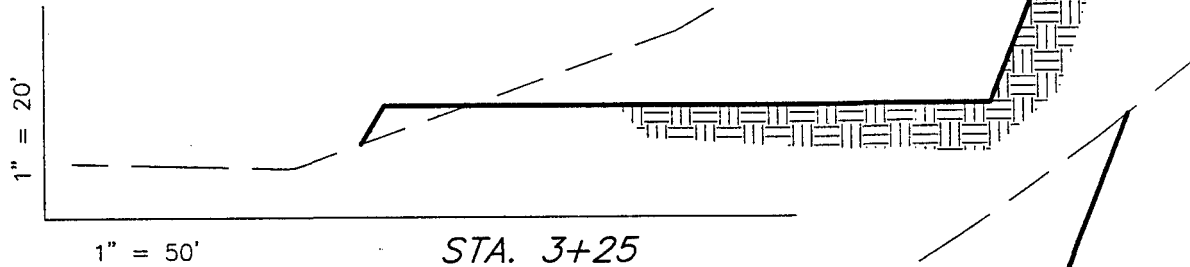
38 WEST 100 NORTH VERNAL, UTAH 84078



CDX ROCKIES, LLC

CROSS SECTIONS

FEDERAL ATCHEE CANYON  
35-12-25



APPROXIMATE YARDAGES

CUT = 14,830 Cu. Yds.  
FILL = 14,810 Cu. Yds.  
PIT = 1,240 Cu. Yds.  
6" TOPSOIL = 1,120 Cu. Yds.

SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

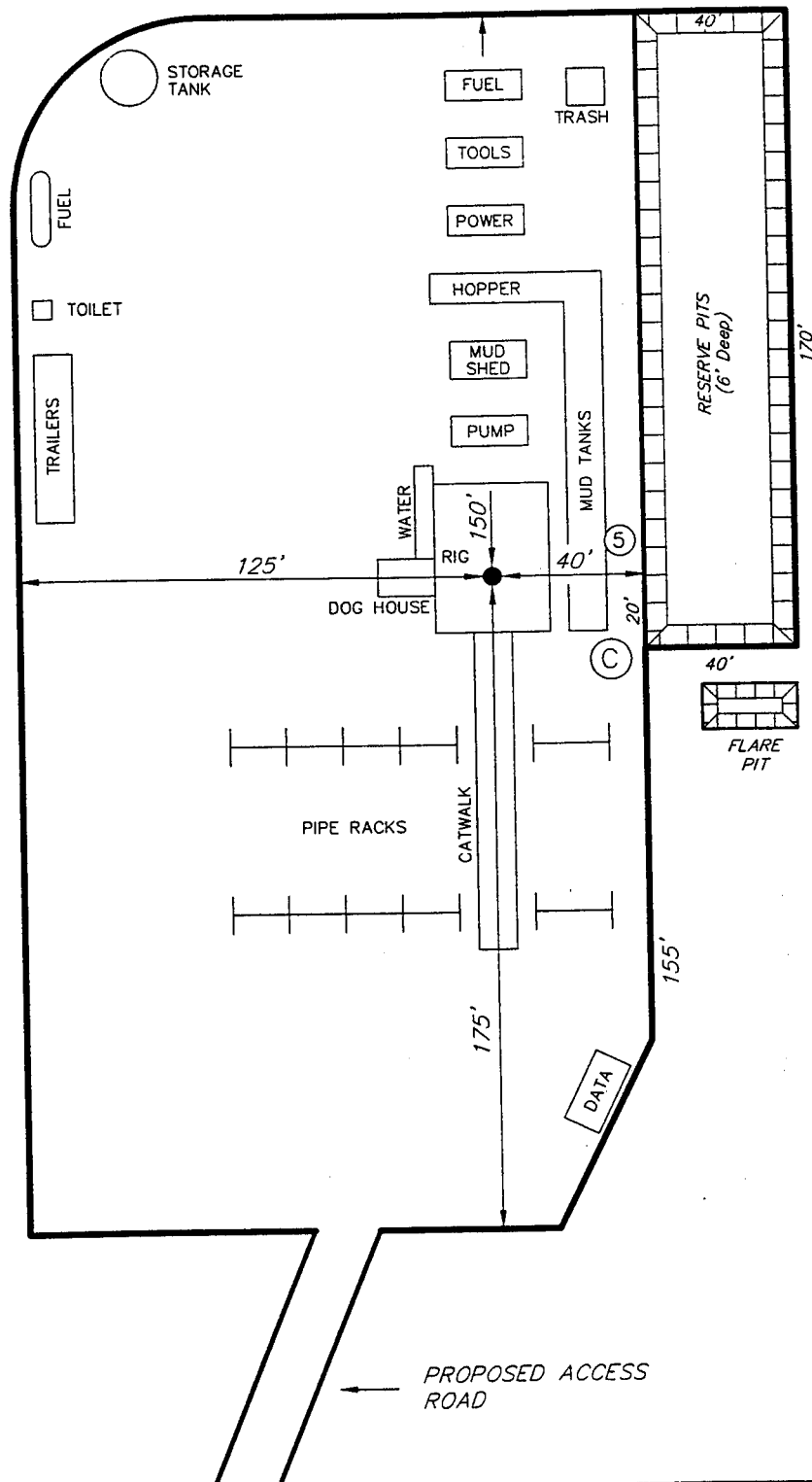
DATE: 8-24-01

Tri State  
Land Surveying, Inc.

(435) 781-2501

38 WEST 100 NORTH VERNAL, UTAH 84078

*CDX ROCKIES, LLC*  
*TYPICAL RIG LAYOUT*  
*FEDERAL ATCHEE CANYON 35-12-25*



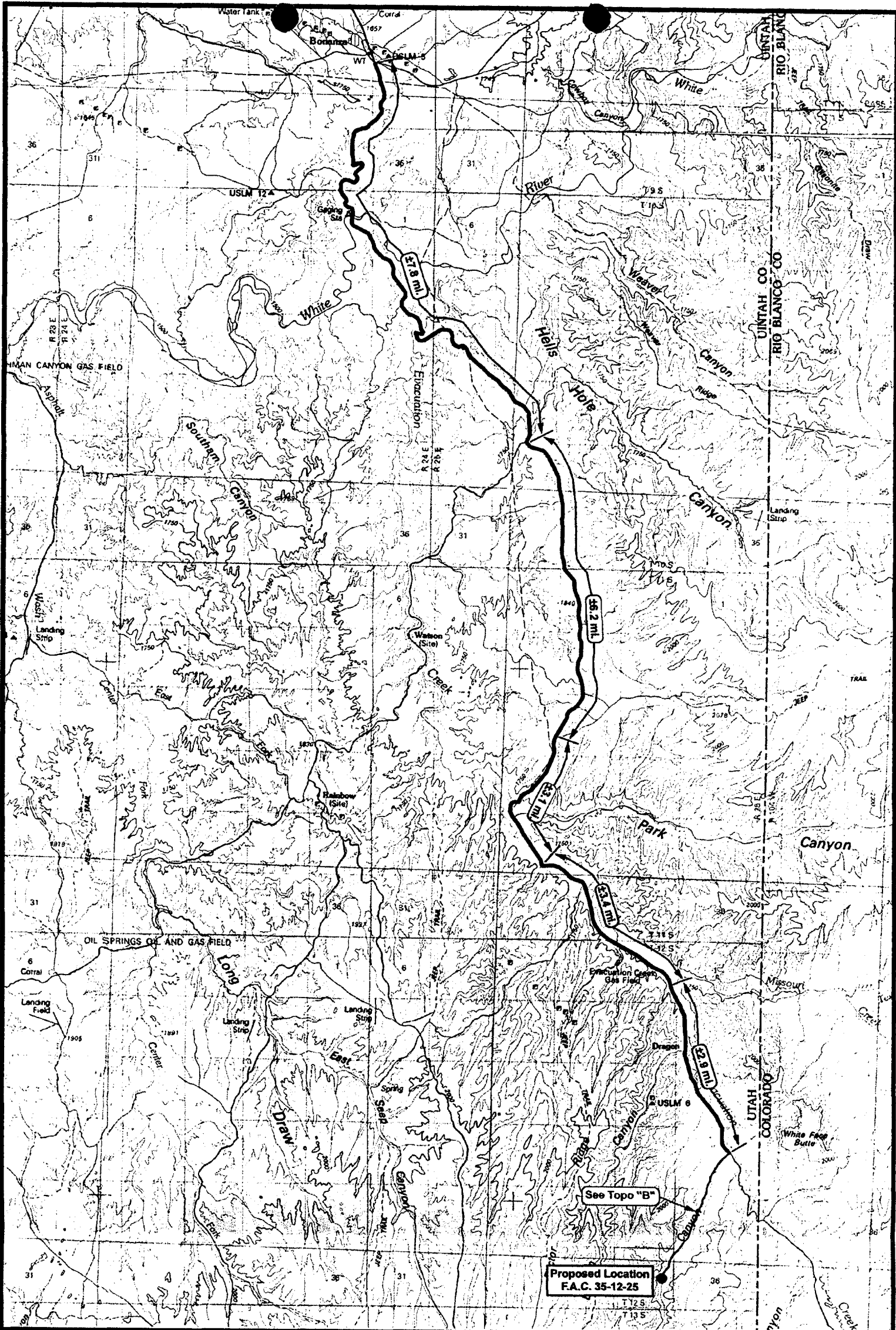
SURVEYED BY: D.J.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 8-24-01

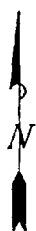
*Tri State*  
*Land Surveying, Inc.*  
 38 WEST 100 NORTH VERNAL, UTAH 84078  
 (435) 781-2501



**CDX**

ROCKIES LLC

**Federal Atchee Canyon 35-12-25**  
**SEC. 35, T12S, R25E, S.L.B.&M.**



*Tri-State*  
*Land Surveying Inc.*  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

**SCALE:**

**DRAWN BY: D.J.**

**DATE: 08-29-2001**

**LEGEND**

Existing Road  
 Proposed Access

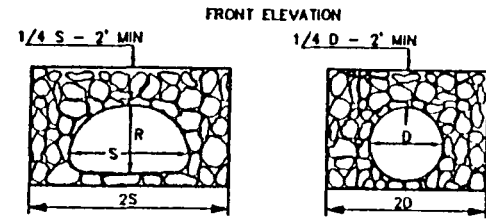
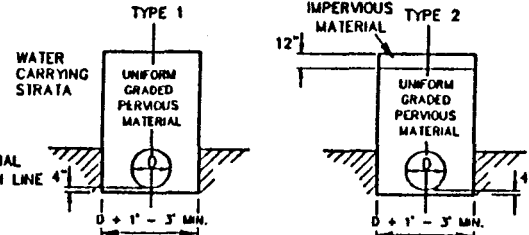
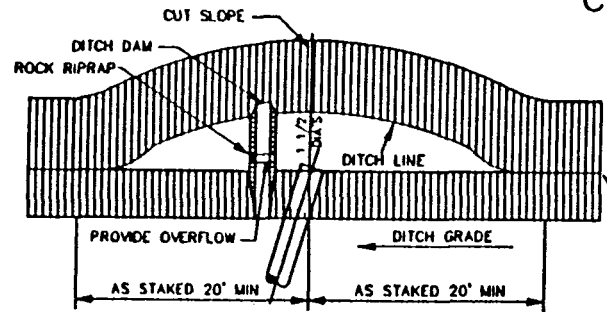
**TOPOGRAPHIC MAP**

**"A"**

**"B"**

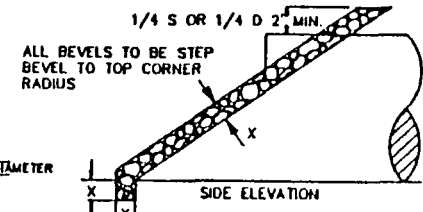
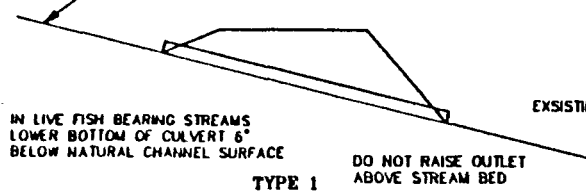
# CULVERT CONSTRUCTION DETAILS

FIGURE

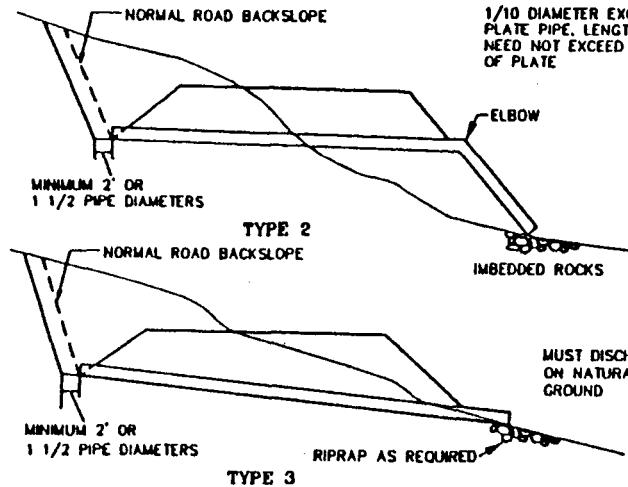


NOTE  
IN NARROW CHANNELS ADJUST  
RIPRAP TO FIT ORIGINAL  
STREAM BANKS.

## PERFORATED UNDERDRAINS



## TYPICAL BEDDING DETAILS

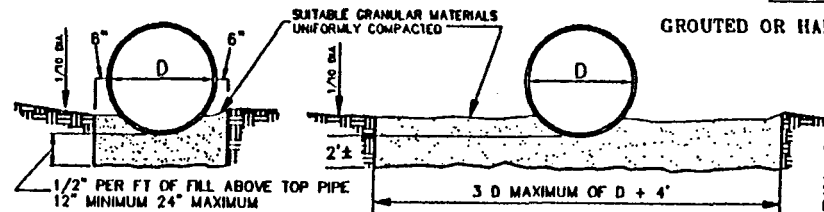


1/10 DIAMETER EXCEPT FOR STRUCTURAL  
PLATE PIPE. LENGTH OF BEDDING ARC  
NEED NOT EXCEED WIDTH OF BOTTOM  
OF PLATE

- 1" MINIMUM 1/2" DEEP CORRUGATIONS
- 2" MINIMUM 1" DEEP CORRUGATIONS
- 3" MINIMUM 2" OR 2 1/2" DEEP CORRUGATIONS

VARIES WITH PIPE D OR S

D OR S	
LESS THAN 60"	12"
60" TO 96"	18"
MORE THAN 96"	24"

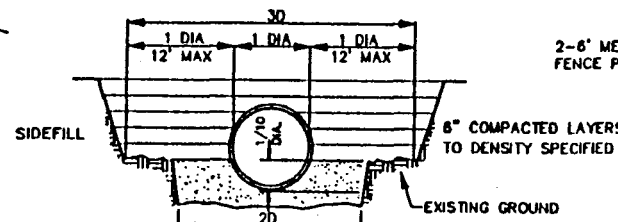


## GROUTED OR HAND PLACED RIPRAP HEADWALLS

GENERAL NOTES  
ALL BEVELED PIPES ARE TO HAVE  
STEP BEVELS PIPE ARCHES SHALL  
BE BEVELED TO THE TOP OF THE  
CORNER RADIUS

SPECIAL ANCHORING TO BE PROVIDED  
WHEN CALLED FOR IN THE CULVERT  
LISTING

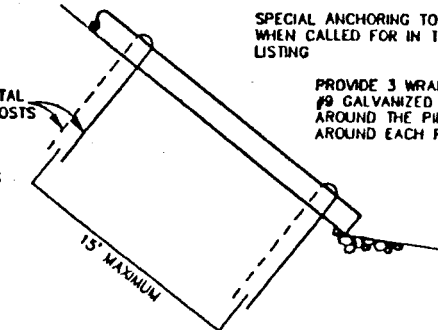
PROVIDE 3 WRAPS OF  
#9 GALVANIZED WIRE  
AROUND THE PIPE AND  
AROUND EACH POST



NOTE  
BEDDING BLANKET TO BE SUITABLE  
GRANULAR MATERIAL ROUGHLY  
SHAPE TO FIT BOTTOM OF PIPE

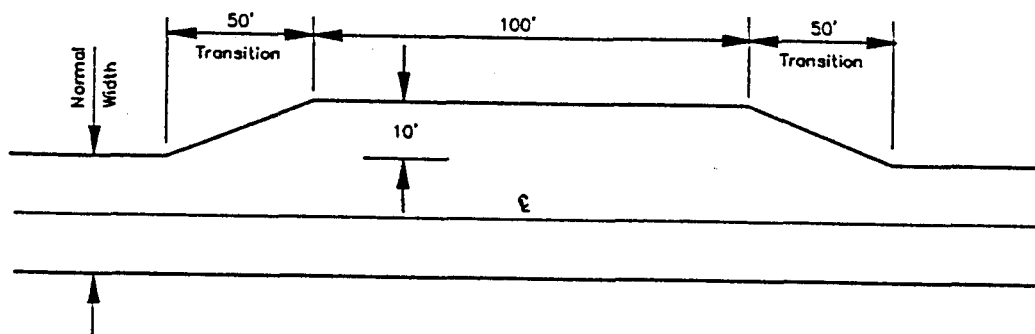
NOTE  
MINIMUM COVER FOR PAVED  
SURFACE IS 12" MINIMUM  
COVER FOR DIRT SURFACE IS 18"

2-6" METAL  
FENCE POSTS



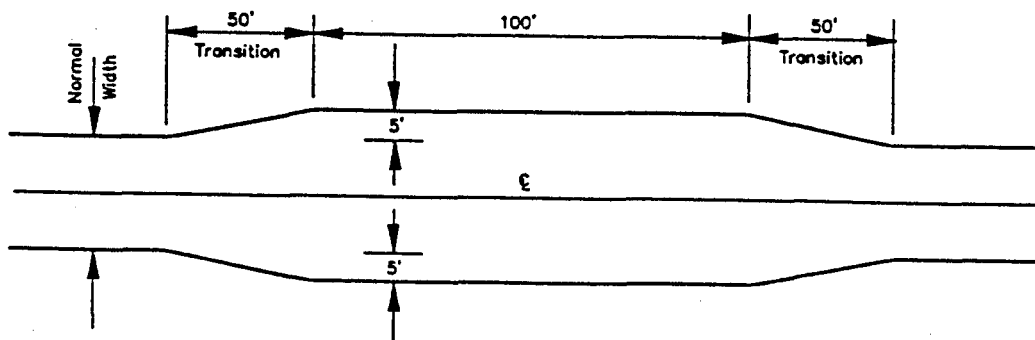
# TYPICAL TURN-OUTS

(for Proposed Access Road)



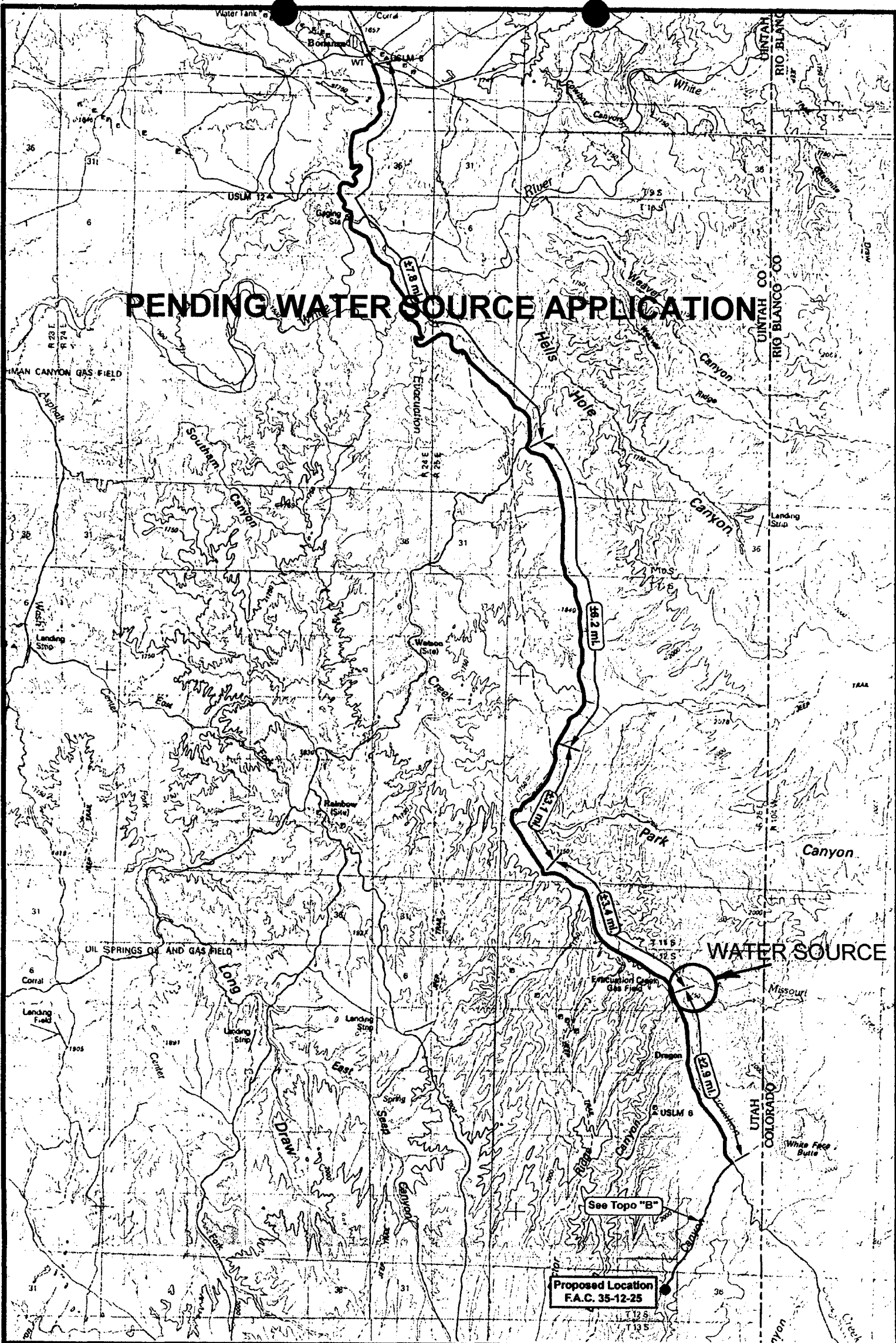
PLAN

TURNOUT-WIDENING ON ONE SIDE



PLAN

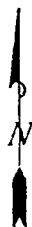
TURNOUT-WIDENING ON BOTH SIDES



**CDX**

ROCKIES LLC

**Federal Atchee Canyon 35-12-25**  
**SEC. 35, T12S, R25E, S.L.B.&M.**



**Tri-State**  
*Land Surveying Inc.*  
(435) 781-2501  
180 North Vernal Ave. Vernal, Utah 84078

**SCALE:**

**DRAWN BY: D.J.**

**DATE: 08-29-2001**

**LEGEND**

Existing Road  
 Proposed Access

**TOPOGRAPHIC MAP**

**"A"**

CULTURAL RESOURCE INVENTORY OF  
CDX ROCKIES' PROPOSED WELL LOCATIONS: ATCHEE CANYON #35-12-25,  
ATCHEE RIDGE #21-13-25, AND ATCHEE RIDGE #22-13-25,  
UINTAH COUNTY, UTAH

By:

Keith R. Montgomery

Prepared For:  
Bureau of Land Management  
Vernal Field Office

Prepared Under Contract With:  
CDX Rockies  
7755 2<sup>nd</sup> Avenue, Suite 0-C  
Durango, CO 81301

Prepared By:

Montgomery Archaeological Consultants  
P.O. Box 147  
Moab, Utah 84532

August 27, 2001

MOAC Report #01-123

United States Department of Interior (FLPMA)  
Permit No. 01-UT-60122

State of Utah Antiquities Project (Survey)  
Permit No. U-01-MQ-0560b



## INTRODUCTION

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in August, 2001 for CDX Rockie's three proposed well locations and associated access routes in the Atchee Ridge and Atchee Canyon area, south of Vernal, Uintah County, Utah. The legal description of the inventory area is Township 12 South, Range 25 East, Sections 25, 35, and 36; and Township 13 South, Range 25 East, Sections 16, 21, and 22 (Figures 1 and 2). The project occurs on land administered by the Bureau of Land Management (BLM), Vernal Field Office.

The objective of the inventory was to locate, document, and evaluate any cultural resources within the project area in order to comply with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended), the National Environmental and Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, the American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1990).

The fieldwork was performed by Keith R. Montgomery (Principal Investigator, MOAC) and Jacki Montgomery under the auspices of U.S.D.I. (FLPMA) Permit No. 01-UT-60122 and State of Utah Antiquities Project (Survey) No. U-01-MQ-0560b.

A file search for previous archaeological projects and documented cultural resources was completed by the author at the BLM Vernal Field Office on August 24, 2001. This consultation indicated that one cultural resources inventory has been completed in the project area. Grand River Institute conducted the inventory in 1995 for Amoco Production's three well locations: Augusi Canyon #41-4-14-25, Mitchell #1, and State #2-13-25 (Conner 1995). A total of 118.5 acres were surveyed and three isolated finds of artifacts were documented. These consisted of a quartzite biface preform and two flakes (IF-1), three flakes (IF-2), and a mano (IF-3).

## DESCRIPTION OF PROJECT AREA

The project area is located approximately 50 miles southeast of the town of Vernal, Uintah County, Utah. Specifically, the proposed well locations and access routes lie in Atchee Canyon and on Atchee Ridge (Figures 1 and 2). The legal description for well location Atchee Canyon #35-12-25 is T12S, R25E, Sections 25, 25, and 36. The legal description for Atchee Ridge #21-13-25 is T13S, R25E, Sections 16 and 21; and the legal description for Atchee Ridge #22-13-25 is T13S, R25E, Section 22. Approximately 50.3 acres were inventoried on land administered by the BLM Vernal Field Office.

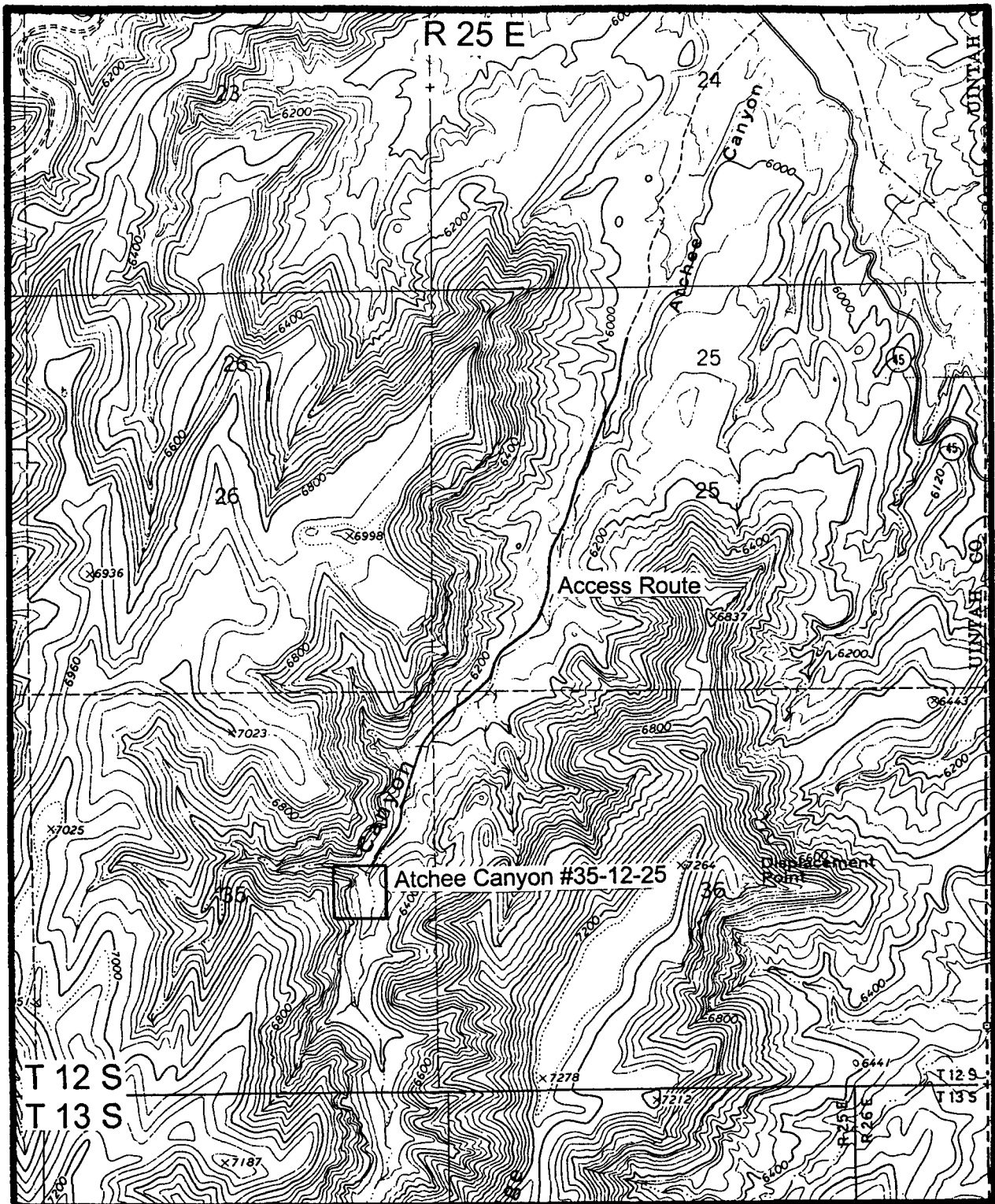


Figure 1. Inventory Area of CDX Rockie's Atchee Canyon #35-12-25 well location and access route. USGS 7.5' Davis Canyon, Utah-Colo., 1987. Scale 1:24000.

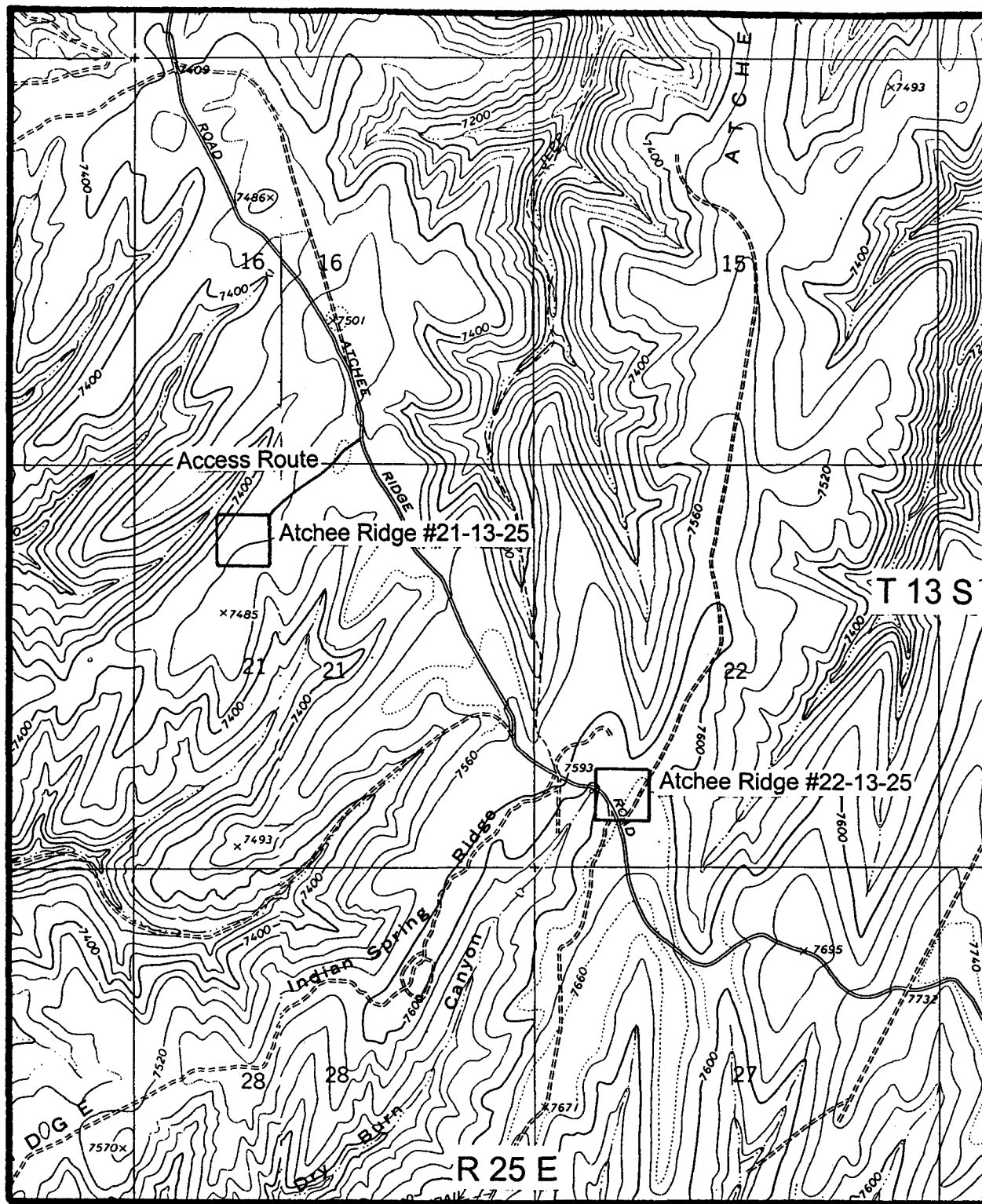


Figure 2. Inventory Area of CDX Rockie's Atchee Ridge #21-13-25 and #22-13-25 well locations and access routes. USGS 7.5' Davis Canyon, Utah-Colo., 1987. Scale 1:24000.

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Topographically, this area consists of broad erosional benches and bluffs of sandstone and mudstone formations, highly dissected by numerous intermittent drainages. The geology is comprised of Tertiary age deposits which include the Green River and Uinta Formations. The Green River Formation contains claystone, sandstone, and carbonate beds. In the western portion of the Uinta Basin, the Uinta Formation consists of sandstone, shale, siltstone, conglomerate, and minor amounts of limestone. In the eastern portion, this formation contains higher amounts of limy siltstone (Ibid:155). Atchee Ridge #22-13-25 and #21-13-25 well locations are situated along the top of Atchee Ridge. The vegetation consists of very dense pinyon-juniper woodland with sagebrush, serviceberry, rabbitbrush, and grasses also observed. Modern disturbances to the area include ORV trails, wood cutting, and a few hunting camps. Atchee Canyon #35-12-25 occurs along a wash bottom of Atchee Canyon. Vegetation consists of greasewood and sagebrush in the wash bottom, and along the benches is a pinyon-juniper woodland with snakeweed, prickly pear cactus, and grasses also present. The entire inventory area for this well locations has been disturbed by extensive colluvial erosion. Modern disturbances include a two-track road, grazing, and wood-cutting.

## SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At the well locations, a 10 acre square was defined, centered on the well pad center stake. The interior of the well locations were inspected by the archaeologists walking parallel transects spaced no more than 10 m (30 ft) apart. The proposed access route corridors were surveyed to a 100 ft (30 m) width by the archaeologists walking parallel transects along the staked centerline, spaced no more than 10 m apart. Ground visibility was considered to be good. A total of 50.3 acres was inventoried on BLM administered land (Vernal Field Office).

## INVENTORY RESULTS AND RECOMMENDATIONS

The inventory of CDX Rockie's three proposed well locations and associated access routes in Atchee Canyon and on Atchee Ridge resulted in the finding of no cultural resources. Based on the finding, a determination of "no historic properties affected" is proposed for this development project pursuant to Section 106, CFR 800.

## REFERENCES CITED

Conner, C.

1995

Cultural Resource Inventory Report on three Proposed Well Locations: Augusi Canyon #41-4-14-25, Mitchell #1, and State #2-13-25 and Related Access in Uintah County, Utah for AMOCO Production Company. Grand River Institute, Grand Junction, CO. U-95-GB-296. Report on file at the BLM Vernal Field Office.

Stokes, W. L.

1986

*Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey, Salt Lake City.

005

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/17/2001

API NO. ASSIGNED: 43-047-34297

WELL NAME: FED ATCHEE CYN 35-12-25

OPERATOR: CDX ROCKIES LLC ( N1860 )

CONTACT: ALVIN ARLIAN

PHONE NUMBER: 303-292-4051

## PROPOSED LOCATION:

SENE 35 120S 250E

SURFACE: 2630 FNL 1042 FEL

BOTTOM: 2630 FNL 1042 FEL

UINTAH

WILDCAT ( 1 )

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-70905

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

## RECEIVED AND/OR REVIEWED:

☒ Plat  
☒ Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. UT-1225 )  
☒ Potash (Y/N)  
☒ Oil Shale 190-5 (B) or 190-3 or 190-13  
☒ Water Permit  
(No. T75374 )  
☒ RDCC Review (Y/N)  
(Date: )  
☒ Fee Surf Agreement (Y/N)

## LOCATION AND SITING:

\_\_\_ R649-2-3. Unit Displacement Point Unit  
\_\_\_ R649-3-2. General  
☒ Siting: 460 From Qtr/Qtr & 920' Between Wells  
\_\_\_ R649-3-3. Exception  
\_\_\_ Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_  
\_\_\_ R649-3-11. Directional Drill

## COMMENTS:

Need "Ex. Loc." info. (Rec'd 10-1-01)

## STIPULATIONS:

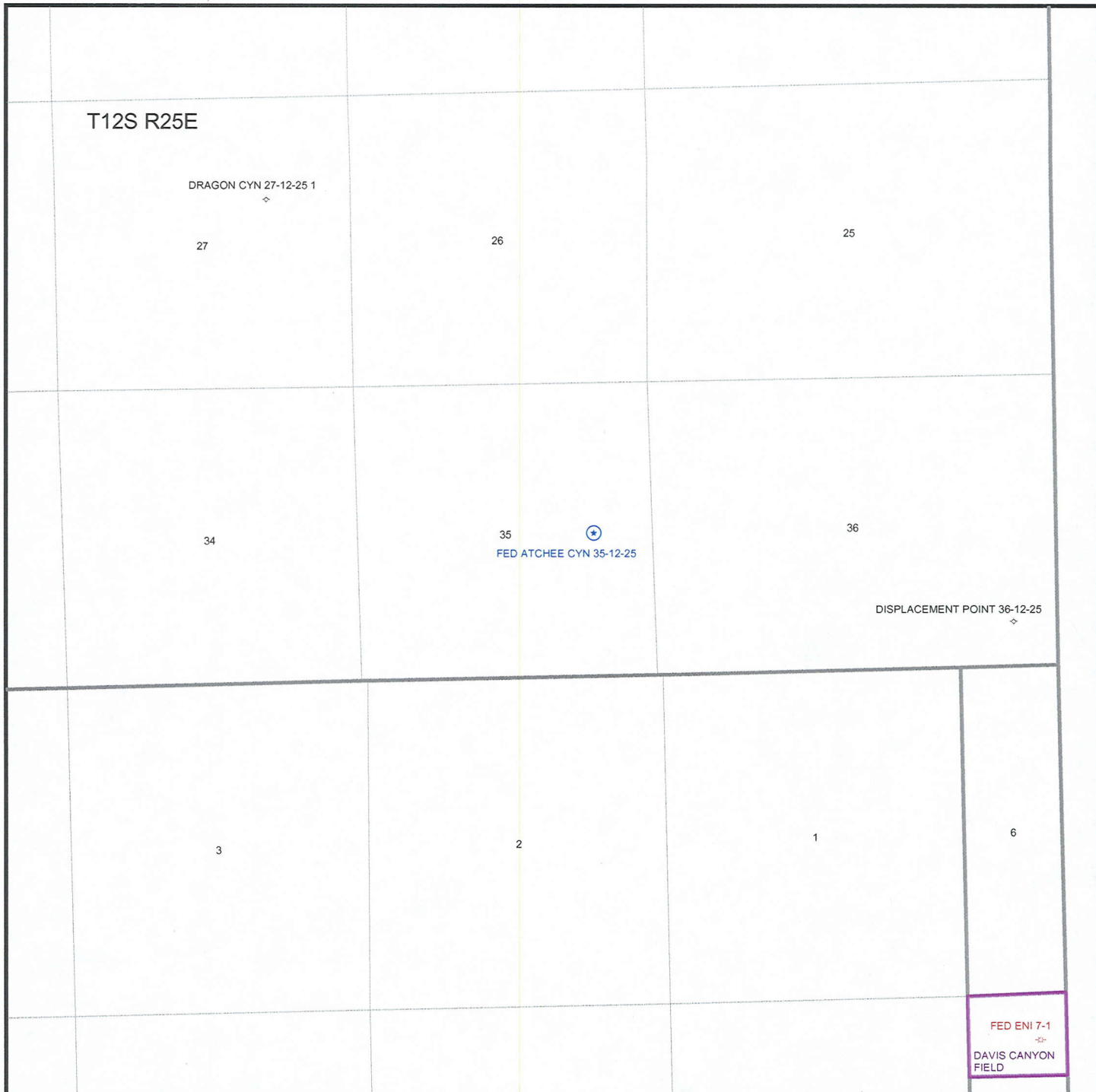


OPERATOR: CDX ROCKIES LLC (N1860)

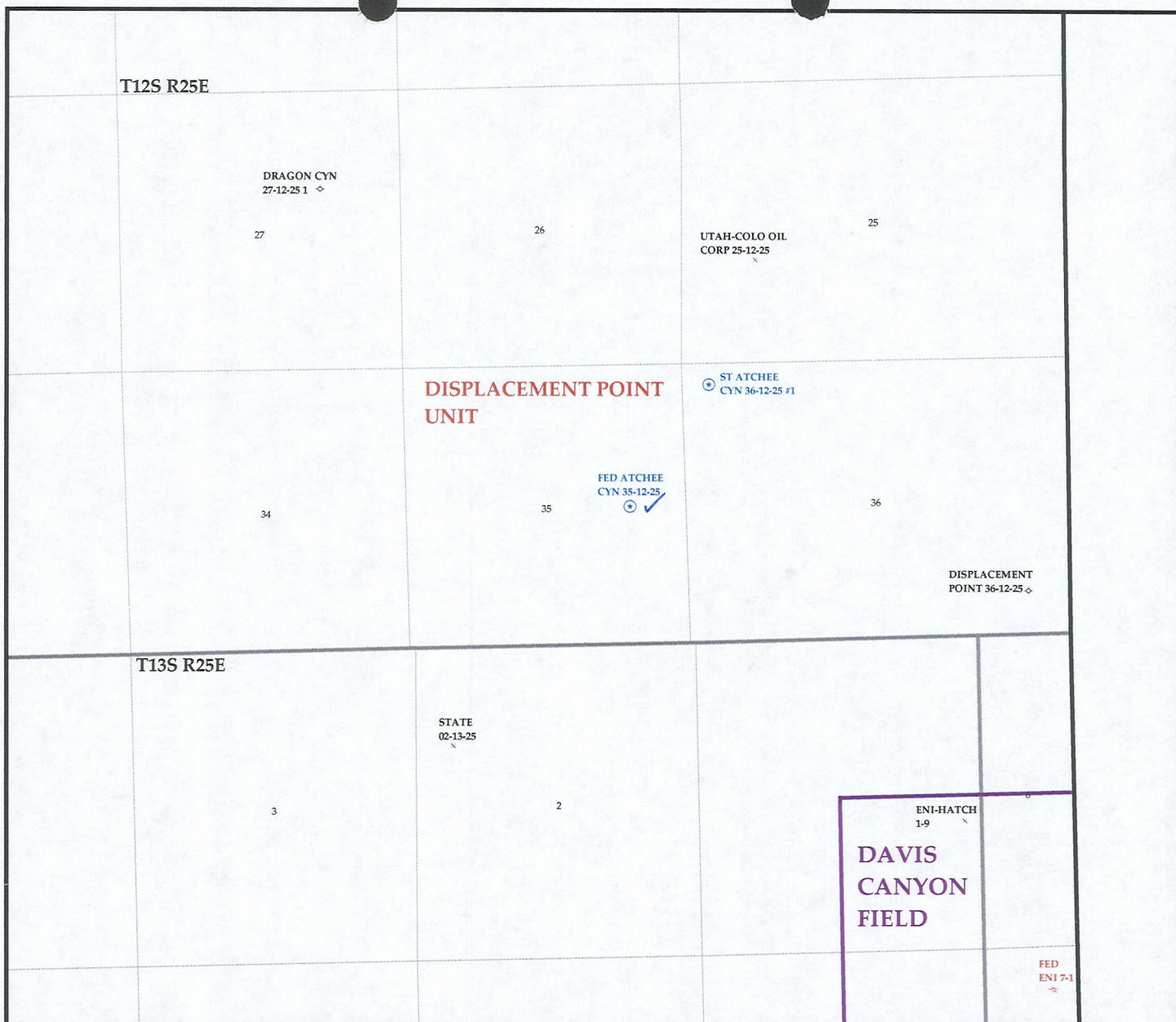
SEC. 35, T12S, R25E

FIELD: WILDCAT (001)

COUNTY: UINTAH SPACING: R649-3-3/EX LOC







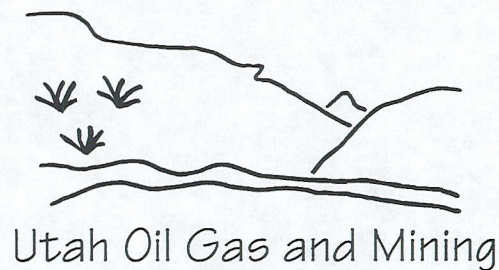
OPERATOR: CDX ROCKIES LLC (N1860)

SEC. 35 T.12S R.25E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION



#### Wells

- ✂ GAS INJECTION
- ✂ GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✂ SHUT-IN GAS
- ✂ SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ⦿ WATER SUPPLY
- ✂ WATER DISPOSAL

#### Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

#### Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY  
DATE: 7-JULY-2004



**CDX Rockies, LLC**

Rocky Mountain Regional Land Office

1801 Broadway, Suite 1460

Denver, Colorado 80202

Off: 303-292-4051

Fax: 303-292-1734

Cell: 303-981-4859

Email: aarlian@eazy.net

Corporate Office

5485 Beltine Road, Suite 280

Dallas, Texas 75240-7656

Off: 972-392-1880

Fax: 972-392-1881

Rocky Mountain Office

679 East 2<sup>nd</sup> Avenue, Suite 3

Durango, Colorado 81301

Off: 970-247-4126

Fax: 970-247-1047

September 26, 2001

Lisha Cordova  
 Utah Division of Oil, Gas and Mining  
 1594 West North Temple, Suite 1210  
 Box 145801  
 Salt Lake City, Utah 84114-5801

RE: **Exception Location Request**  
**Federal Atchee Canyon 35-12-25**  
 SENE 35-12-25 (2,630' FNL - 1,042' FEL)  
 Uintah County, Utah

Dear Ms. Cordova:

Pursuant to our telephone conversation on September 20, 2001, CDX Rockies, LLC respectfully request an "Exception Location" to drill the above-referenced well.

1. All of the minerals and surface of Section 35, Township 12 South, Range 25 East, SLB&M, are owned by the United States of America ("Federal").
2. 100% of this oil and gas lease is owned by CDX Rockies, LLC, and
3. There are no offsetting lease or mineral owners to this well within 460' of this well that are affected by this Exception Location.

This Exception Location has been requested because:

1. This well is located in the bottom of the narrow end of a canyon that expands as its drains (access route) to the northeast,
2. Any attempt to move this well site "straight" north would cause massive amounts of canyon walls and sheer rock cliffs to have to be destroyed and removed, and

**RECEIVED**

OCT 01 2001

DIVISION OF  
 OIL, GAS AND MINING

**Exception Location Request**  
**Federal Atchee Canyon 35-12-25**  
September 26, 2001  
Page No. 2

3. Any attempt to move this well site to the east would cause the well site to block the canyon gully wash area. There is not enough room to locate the well site east of the canyon gully wash area and the east side canyon wall.
4. There are no other physically accessible locations in this governmental quarter section.

Thank you for your assistance in this matter.

Very truly yours,



Alvin R. (Al) Arlian

ara

cc: Brad Boyce - CDX. Durango, CO  
Gary Trotter - CDX Dallas, TX  
Brett Austin - CDX Dallas, TX

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

July 7, 2004

Memorandum

To: Assistant District Manager Minerals, Vernal District  
From: Michael Coulthard, Petroleum Engineer  
Subject: 2004 Plan of Development Displacement Point  
Unit, Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following well is planned for calendar year 2004 within the Displacement Point Unit, Uintah County, Utah.

API#	WELL NAME	LOCATION
------	-----------	----------

(Proposed PZ MesaVerde)

43-047-34297 Federal Atchee Canyon 35-12-25 Sec 35 T12S R25E 2630 FNL 1042 FEL

Please be advised that this well was originally the initial obligation well for the Displacement Point Unit. By letter dated June 16, 2004, the location of the original obligation well was changed to the 36-12-25 located in the NW¼ of Section 36 Township 12 South, Range 25 East. This office has no objection to permitting the well at this time, however, it will not serve as a unit obligation well.

/s/ Michael L. Coulthard

bcc: File - Displacement Point Unit  
Division of Oil Gas and Mining  
Agr. Sec. Chron  
Fluid Chron

MCoulthard:mc:7-7-04



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

July 7, 2004

CDX Rockies, LLC  
679 East Second Ave #3  
Durango, CO 81301

Re: Federal Atchee Canyon 35-12-25 Well, 2630' FNL, 1042' FEL, SE NE,  
Sec. 35, T. 12 South, R. 25 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34297.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal District Office

Operator: CDX Rockies, LLC  
Well Name & Number Federal Atchee Canyon 35-12-25  
API Number: 43-047-34297  
Lease: UTU-70905

Location: SE NE                      Sec. 35                      T. 12 South                      R. 25 East

### Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

SEP 19 2001

FORM APPROVED  
OMB No. 1004-0136  
Expires November 30, 2000


007 APPLICATION FOR PERMIT TO DRILL OR REENTER

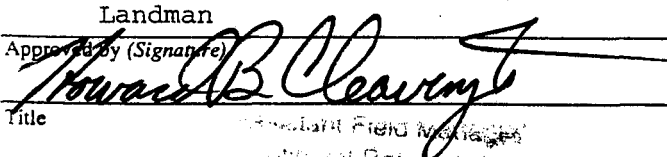
1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU 70905
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name N/A
2. Name of Operator CDX Rockies, L.L.C.		7. If Unit or CA Agreement, Name and No. N/A
3a. Address 679 East Second Ave. #3 Durango, CO 81301	3b. Phone No. (include area code) (970) 247 - 4126	8. Lease Name and Well No. Federal Atchee Canyon 35-12-2
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 2,350' FNL and 1,042' FEL At proposed prod. zone SENE Sec. 35, T12S - R25E		9. API Well No. 43-047-34297
10. Field and Pool, or Exploratory Wildcat		11. Sec., T., R., M., or Blk. and Survey or Area Sec. 35, T12S - R25E
14. Distance in miles and direction from nearest town or post office* 17 miles south of Bonanza, Utah		12. County or Parish Utah
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1,042'		13. State UT
16. No. of Acres in lease 1,280 acres		17. Spacing Unit dedicated to this well 80 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. N/A		20. BLM/BIA Bond No. on file UT 1225
19. Proposed Depth 3,256'		21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6,315' GL
22. Approximate date work will start* November 15, 2001		23. Estimated duration 2 weeks

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- |   |  |
|---|--|
| 1. Well plat certified by a registered surveyor.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).    |
| 2. A Drilling Plan.   | 5. Operator certification.   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Alvin R. (Al) Arlian	Date Sept. 18, 2001
---	--	------------------------

Title Landman		
Approved by (Signature) 	Name (Printed/Typed) Howard B. Cleary	Date 05/18/2005
Title Regional Field Manager	Office Regional Office	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on reverse)

NOTICE OF APPROVAL

RECEIVED

MAY 24 2005

DIV OF OIL, GAS & MINING

CONDITIONS OF APPROVAL  
APPLICATION FOR PERMIT TO DRILL

Company/Operator: CDX Rockies, LLC.

Well Name & Number: Atchee Ridge 35-12-25

API Number: 43-047-34297

Lease Number: U-70905

Location: SENE Sec. 35 T. 12S R. 25E

Agreement: Displacement Point Unit

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

**CONDITIONS OF APPROVAL FOR NOTICE TO DRILL**

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which will entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Casing Program and Auxiliary Equipment

The top 200 feet of the surface/intermediate casing annulus must be topped out with neat cement.

Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

**Please submit an electronic copy of all logs run on this well in LAS format. This submission will supersede the requirement for submittal of paper logs to the BLM. The cement bond log must be submitted in raster format (TIF, PDF or other).**

Other Information

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Kirk Fleetwood (435) 828-7874  
Petroleum Engineer

Michael Lee (435) 828-7875  
Petroleum Engineer

BLM FAX Machine (435) 781-4410

**SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

Floodplain-1: Construct an earthen berm around the edge of the entire 35-12-25 well pad.

To reduce visual contrast, rough in the 35-12-25 access road, and do not construct or bury the pipelines until the well is proven to be a producer. See also section 4.2.3.1.

CDX will install noise reduction device (e.g., mufflers) on all pump jacks to reduce intermittent noise to 45 dBA at 660 feet (200 meters) from the source.

To prevent the introduction of new weed species into the project area, construction equipment arriving from off-lease locations will be power-washed prior to arrival and use in order to remove noxious weed seeds, roots, or rhizomes.

CDX will move the topsoil pile from the west edge of the 22-13-25 well to the north edge of the 22-13-25 well to reduce visual impacts to recreationists on the Atchee Ridge road.

CDX will leave as many trees in place as possible around the edges of the location, especially the west edge of the 22-13-25 well which is nearly adjacent to the Atchee Ridge road.

At the time that the pits will be reclaimed, CDX will reclaim the well pads back to the dead-man markers by reseeding the area with the seed mix and using the method described in section 2.2.9.

If any paleontological or cultural materials are encountered, stop work immediately and report the find to this office.



The seed mix for these locations shall be:

**35-12-25**

Fourwing saltbush	<i>Atriplex canescens</i>	4 lbs. /acre
Thick spike wheatgrass	<i>Elymus lanceolatus ssp. lanceolatus</i>	4 lbs. /acre
Needle and Threadgrass	<i>Hesperostipa comata</i>	4 lbs. /acre

**22-13-25**

Serviceberry	<i>Amelanchier utahensis</i>	4 lbs. /acre
Prairie Junegrass	<i>Koeleria macrantha</i>	4 lbs. /acre
Arrowleaf balsamroot	<i>Balsamorhiza sagittata</i>	4 lbs. /acre

- All pounds are in pure live seed.
- Reseeding may be required if first seeding is not successful.

All vegetation shall be stripped from location and piled just beyond where the topsoil piles are shown on the cut sheets.

4 to 6 inches of topsoil shall be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.

The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread, and the area shall be seeded in the same manner as the location topsoil.

Once the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread where appropriate, and the entire location seeded with the recommended seed mix. Seeding shall take place by broadcasting the seed and walking it into the soil with a dozer immediately after the dirt work is completed.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-70905</b>
2. NAME OF OPERATOR: <b>CDX Rockies, LLC</b>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: <b>1801 Broadway, Suite 1060</b> CITY <b>Denver</b> STATE <b>CO</b> ZIP <b>80016</b>		7. UNIT or CA AGREEMENT NAME: <b>Displacement Point Unit Area</b>
PHONE NUMBER: <b>(303) 298-8211</b>		8. WELL NAME and NUMBER: <b>Federal Atchee Canyon 35-12-25</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>2,630 FNL - 1,042' FEL</b>		9. API NUMBER: <b>4304734297</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SENE 35 12S 25E S</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
COUNTY: <b>Uintah</b>		STATE: <b>UTAH</b>

11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

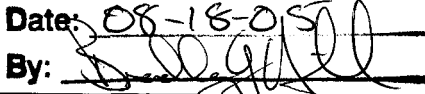
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> <b>SUBSEQUENT REPORT</b> (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>APD Extension Request</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

- a. This well and the Atchee Ridge 22-13-25 were originally going to be the unit obligations wells.  
b. Because the original BLM APD (filed Sep-7-2001) was delayed, CDX drilled the Atchee Canyon 25-12-25 as the first obligation well.  
c. The BLM did approved the APD for this well on Jul-7-2004. However it was not until Jun-14-2005, that the BLM denied a Request for Stay for both the Atchee Ridge 22-13-25 and Atchee Canyon 35-13-25.  
d. CDX is currently building location for the Atchee Ridge 22-13-25 Well and will not be able to drill the Atchee Canyon 35-12-25 until next summer after snow melt.

CDX Rockies, LLC respectfully request a one year extension of the permit to drill this well.

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: **08-18-05**  
By: 

**RECEIVED  
AUG 16 2005**

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) **Alvin (AI) R. Arlian** TITLE **Land Manager - Western Operations**  
SIGNATURE  DATE **8/15/2005**

(This space for State use only)

COPY SENT TO OPERATOR  
Date: **8-28-05**  
Initials: **CHD**

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-047-34297  
**Well Name:** Federal Atchee Canyon 35-12-25  
**Location:** SENE (2,630' FLL-1,042' FEL) of Sec 35, T12S-R25E  
**Company Permit Issued to:** CDX Rockies, LLC  
**Date Original Permit Issued:** 7/7/2004

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☒

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☐ No ☒



Signature

8/15/2005

Date

**Title:** Land Manager - Western Operations

**Representing:** CDX Rockies, LLC

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SEP - 1 2005

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

## SUNDRY NOTICES AND REPORTS ON WELLS

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**1. Type of Well  
☐ Oil Well ☒ Gas Well ☐ Other2. Name of Operator  
**CDX Rockies, LLC**3a. Address  
**1801 Broadway, Suite 1060 Denver, CO 80202**3b. Phone No. (include area code)  
**303-298-8211**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**2,630' FNL - 1,042' FEL (SENE) Sec. 35-T12S-R25E**

5. Lease Serial No.

**UTU-70905**

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

**Displacement Point Unit Area**

8. Well Name and No.

**Federal Atchee canyon 35-12-25**

9. API Well No.

**43-0347-34297**10. Field and Pool, or Exploratory Area  
**Wildcat**

11. County or Parish, State

**Uintah, Utah**

## 12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>Extension Request</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**CDX Rockies, LLC respectfully requests a one year extension of the permit to drill this well.  
Please see attached extension from the State of Utah.**

**CONDITIONS OF APPROVAL ATTACHED**14. I hereby certify that the foregoing is true and correct  
Name (Printed/Typed)**Alvin R. (Al) Arlian**Title **Land Manager - Western Operations**

Signature

Date

**8-29-05****THIS SPACE FOR FEDERAL OR STATE OFFICE USE****Michael Lee****Petroleum Engineer**

Approved by

Title

Date

**9-6-05**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**RECEIVED**

(Instructions on page 2)

**OCT 05 2005****UDOGM**

DIV. OF OIL, GAS &amp; MINING

CDX Rockies LLC  
APD Extension

Well: Federal Atchee Canyon 35-12-25

Location: SENE Sec. 35, T12S, R25E

Lease: UTU-70905

**Conditions of Approval**

An extension for the referenced APD is granted with the following condition(s):

1. The extension will expire 5/18/2006
2. No other extensions beyond that period will be granted or allowed.

If you have any other questions concerning this matter, please contact Michael Lee at (435) 781-4432.

2005-09-06



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Utah State Office  
P.O. Box 45155  
Salt Lake City, UT 84145-0155



IN REPLY REFER TO  
3180  
UT-922

January 26, 2006

Pioneer Natural Resources, USA, Inc.  
Attn: Lynn Luhmann  
1401 17th Street, Suite 1200  
Denver, Colorado 80202

Re: Displacement Point Unit  
Uintah County, Utah

Gentlemen:

On January 25, 2006, we received an indenture dated October 1, 2005, whereby CDX Rockies, LLC resigned as Unit Operator and Pioneer Natural Resources, USA, Inc. was designated as Successor Unit Operator for the Displacement Point Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective January 26, 2006. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Displacement Point Unit Agreement.

Your Montana nationwide oil and gas bond No. MTB000041 will be used to cover all federal operations within the Displacement Point Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ David H. Murphy

David H. Murphy  
Acting Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Vernal (w/enclosure)  
SITLA  
Division of Oil, Gas & Mining  
File - Displacement Point Unit (w/enclosure)  
Agr. Sec. Chron  
Fluid Chron  
Central Files

RECEIVED  
JAN 27 2006

UT922:TAThompson:tt:1/26/06

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-70905
2. NAME OF OPERATOR: Pioneer Natural Resources <u>N5/55</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1401 17th St. Ste 1200 <u>CITY</u> Denver <u>STATE</u> CO <u>ZIP</u> 80202		7. UNIT or CA AGREEMENT NAME: Displacement Point
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2630 FNL & 1042 FEL		8. WELL NAME and NUMBER: Fed Atchee Canyon 35-12-25
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 35 12S 25E		9. API NUMBER: 4304734297
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON	
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____	
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION		

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CDX Rockies, LLC designates Pioneer Natural Resources USA, Inc, as operator of the Fed Atchee Canyon 35-12-25 well, effective December 22, 2005. Pioneer Natural Resources USA, Inc bonds for Utah are #104319462 (blanket) and #104319463.

This well was approved by DOGM on 7/7/04 but has not been drilled.

NAME (PLEASE PRINT) <u>Jay Still</u>	TITLE <u>Vice President, Western Division</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2-28-06</u>

(This space for State use only)

APPROVED 3/29/06

(5/2000)

Earlene Russell  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED

MAR 02 2006

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

**Request to Transfer Application or Permit to Drill**

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Fed Atchee Cyn 35-12-25
API number:	4304734297
Location:	Qtr-Qtr: SENE Section: 35 Township: 12S Range: 25E
Company that filed original application:	CDX Rockies, LLC
Date original permit was issued:	07/07/2004
Company that permit was issued to:	CDX Rockies, LLC

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. 104319462	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Jay Still Title Vice President, Western Division  
Signature [Signature] Date 2-28-06  
Representing (company name) Pioneer Natural Resources USA, Inc.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

**RECEIVED**

**MAR 02 2006**

DIV. OF OIL, GAS & MINING



STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: SEE ATTACHED LIST
2. NAME OF OPERATOR: CDX Rockies, LLC <i>N1860</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1801 BROADWAY #1060 CITY DENVER STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: Displacement Point
PHONE NUMBER: (303) 298-8211		8. WELL NAME and NUMBER: SEE ATTACHED LIST
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		9. API NUMBER: SEE ATTACH
		10. FIELD AND POOL, OR WILDCAT: Wildcat

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CDX Rockies, LLC designates Pioneer Natural Resources USA, Inc. as operator of the attached list of wells located in Uintah County Utah, effective December 22, 2005.

NAME (PLEASE PRINT) <u>Tracy E. Lombardi</u>	TITLE <u>Land/Engineering Tech.</u>
SIGNATURE <u><i>Tracy E. Lombardi</i></u>	DATE <u>2/28/2006</u>

(This space for State use only)

APPROVED 3/29/2006

*Earlene Russell*

Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED

MAR 02 2006

DIV. OF OIL, GAS & MINING

CDX Rockies, LLC designates Pioneer Natural Resources USA, Inc. as operator of the attached list of wells located in Uintah County Utah, effective December 22, 2005.

<b>Well Name</b>	<b>API No.</b>	<b>Location</b>	<b>Lease No.</b>	<b>Status</b>
Atchee Canyon #25-12-25 #4	43-047-35830	NENW 25-T12S-R25E	Fee	SI
Atchee Ridge #22-13-25	43-047-35678	SWSW 22-T13S-R25E	UTU-73189	SI-Drilling
Atchee Ridge #24-13-25 #1	43-047-32602	SESW 24-T13S-R25E	UTU-72075	SI
Atchee Ridge #15-13-25 #1	43-047-32659	SWSE 15-T13S-R25E	UTU-70248	SI
Davis Canyon #12-13-25 #1	43-047-32618	SENE 12-T13S-R25E	UTU-70247	SI
Atchee Canyon #35-12-25	43-047-34297	SENE 35-T12S-R25E	UTU-70905	APD-Approved
Tent Canyon #4-14-14-25	43-047-36784	NWNW 14-T14S-R25E	UTU-72652	APD-Pending

## 1. DJJ

## 2. CDW

### Designation of Agent/Operator

## Merger

**12/22/2005**

**TO:** ( New Operator):

## N5155-Pioneer Natural Resources

1401 17th St, Suite 1200

Denver, CO 80202

**Phone: 1-(303) 675-2719**

Unit:

### DISPLACEMENT POINT

**WELL(S)**

[illegible]

## OPERATOR CHANGES DOCUMENTATION

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 1/25/2006

2. (R649-8-10) Sundry or legal documentation was received from the NEW operator on: 3/2/2006

3. The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 2/28/2006

4. Is the new operator registered in the State of Utah: YES Business Number: 5738462-0143

5. If **NO**, the operator was contacted contacted on:

6a. (R649-9-2)Waste Management Plan has been received on: IN PLACE

6b. Inspections of LA PA state/fee well sites complete on: \_\_\_\_\_ ok

6c. Reports current for Production/Disposition & Sundries on: ok

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 3/24/2006 BIA

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 2/3/2006

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

1. Changes entered in the **Oil and Gas Database** on: 3/29/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 3/29/2006
3. Bond information entered in RBDMS on: 3/29/2006
4. Fee/State wells attached to bond in RBDMS on: 3/29/2006
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 3/2/2006

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: MTB000041

**INDIAN WELL(S) BOND VERIFICATION:**

1. Indian well(s) covered by Bond Number: n/a

**FEE & STATE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 104319462
2. The **FORMER** operator has requested a release of liability from their bond on: not yet  
The Division sent response by letter on: \_\_\_\_\_

**LEASE INTEREST OWNER NOTIFICATION:**

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 3/30/2006

**COMMENTS:**



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

October 2, 2006

Al Arlian  
Pioneer Natural Resources  
1401 17<sup>th</sup> St, Suite 1200  
Denver CO 80202

Re: APD Rescinded –Federal Atchee Cyn 35-12-25 Sec. 35 T. 12S R. 25E  
Uintah County, Utah API No. 43-047-34297

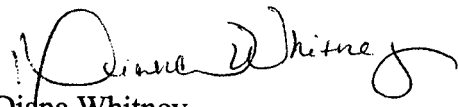
Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 7, 2004. On August 18, 2005, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 2, 2006.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Whitney  
Engineering Technician

cc: Well File  
Bureau of Land Management, Vernal



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:

3160

UT08300

October 6, 2006

43-047-34297

CDX Rockies, LLC  
5485 Beltline Road, Suite 190  
Dallas, Texas 75254

Re: Recinded Notification  
Well No. Fed Atchee Cyn 35-12-25  
SENE, Sec. 35, T12S, R25E  
Uintah County, Utah  
Lease No. UTU-70905

Dear Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on May 18, 2005. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

/s/ Sandra Sather

Sandra Sather  
Land Law Examiner

cc: UDOGM  
Retamco

bcc: Well File U-922  
Reading file U-924  
ES Realty - U-76256

RECEIVED

OCT 23 2006

DIV. OF OIL, GAS & MINING